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United Nations pension system

United Nations Joint Staff Pension Fund

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the United Nations Joint Staff Pension Board on its sixty-fifth session (A/73/9), the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase the diversification of the Fund (A/C.5/73/3), the report of the Board of Auditors on the financial report and audited financial statements of the Fund for the year ended 31 December 2017 (A/73/5/Add.16) and the report of the Secretary of the Pension Board and the Representative of the Secretary-General for the investment of the assets of the Fund on the implementation of the recommendations of the Board of Auditors (A/73/342). In addition, the Committee had before it a note by the Secretary-General on the membership of the Investments Committee.

2. During its consideration of those documents, the Advisory Committee met with the Chairman of the Pension Board, the Acting Chief Executive Officer of the Fund and the Representative of the Secretary-General for the investment of the assets of the Fund, who provided additional information and clarification, concluding with written responses received on 31 October 2018.

3. In the summary of the operations of the Fund for the biennium 2016–2017 contained in chapter III of the report of the Pension Board, it is indicated that the number of participants in the Fund decreased from 126,892 to 126,736, or 0.1 per cent,[1] that the number of periodic benefits in award increased from 71,474 to 78,247, or 9.4 per cent, and that those benefits were provided to retirees and other

[1] The methodology used for the calculation of participants was changed as from 31 December 2017. According to the prior methodology, the number of participants at the end of 2017 would have been 129,534, amounting to a 1.9 per cent increase over the biennium.

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beneficiaries of the 23 member organizations.[2] The net assets available for benefits increased during the biennium from $54.4 billion to $64.3 billion. Benefit payments and expenses amounted to $5.3 billion over the same period, with benefit payments exceeding contributions by $505 million (see A/73/9, paras. 15–19, and annex VIII).

II. Administration and governance

Payment of benefits

4. In its report, the Board of Auditors indicates that the Fund internally divides benefit processing cases into two categories: actionable and non-actionable cases. The Fund considers the cases that are received with the core required documents as actionable cases and the other cases as non-actionable cases. The Board notes that, in 2017, a total of 15,125 cases were considered actionable, of which 9,588 cases were processed, leaving 5,537 cases to be processed (see A/73/5/Add.16, chap. II, paras. 21–23 and table II.1).

5. With regard to the 9,588 processed cases, the Board of Auditors acknowledges an improvement in the speed with which cases were processed in 2017: 5,960 cases, or 62 per cent, were processed within the prescribed time limit of 15 business days, compared with 27 per cent in 2016 (the internal target being 75 per cent). The Board found, however, that among the 38 per cent of cases requiring more than 15 business days to process, some were significantly delayed. For instance, 224 actionable cases had been resolved with a delay of six months and 303 cases with a delay of more than a year (ibid., paras. 23 and 24 and table II.1). Consequently, the Board recommends that the Fund process those cases that have been pending for a long time, on a priority basis and in a time-bound manner. The Fund accepted this recommendation of the Board of Auditors together with all of its other recommendations. **While acknowledging the progress in the speed with which cases are processed, the Advisory Committee notes a continued delay in the receipt of payment by some retirees and beneficiaries of the Fund. The Committee also notes that previous recommendations of the Board regarding the need to process cases within specific and well-defined time frames are still under implementation (see A/70/325, annex VI, chap. II, para. 53 A/71/5/Add.16, chap. II, para. 110; A/72/5/Add.16, chap. II, para. 101; and section IV below).**

6. The Advisory Committee was informed, upon enquiry, that the increase in the number of outstanding cases in 2017 reflected the fact that many separated staff members had deferred their decision on the election of benefit payment in view of the prospect of being rehired until age 65. According to the secretariat of the Fund, of the 5,537 cases outstanding as at 31 December 2017, there were 3,143 such cases pertaining to deferment of choice (see A/73/5/Add.16, chap. II, table II.2). **The Committee notes that the remaining 2,394 cases included cases which have been outstanding for many years and reiterates that all efforts should be made to reduce the backlog of cases to an absolute minimum by addressing the causes of delays in the payment of benefits, which tend to put retirees and other beneficiaries in stressful and vulnerable situations (see A/71/621, para. 6, and A/73/5/Add.16, chap. II, para. 28).**

7. With regard to non-actionable cases, the Board notes that, as at 31 December 2017, 12,982 workflows remained opened because of various issues in the Integrated

[2] The list of the member organizations of the Fund is contained in annex I to the report of the Pension Board (A/73/9).

Pension Administration System (see A/73/5/Add.16, chap. II, paras. 33–38).[3] To resolve these issues, the Board recommends that the Fund undertake a data cleansing exercise to identify and close workflows when possible and conduct an audit of the System to identify its deficiencies. Upon enquiry, the Advisory Committee was informed that those recommendations were in the process of being implemented. The Committee was also informed that, as a result of the data cleansing exercise and the implementation of mitigating measures, the number of open workflows in the Integrated Pension Administration System had decreased from 12,982 to 2,799 between 1 January and 30 September 2018 (annex I to the present report contains information on the status of open workflows). In terms of the System audit, the Committee was informed that the Fund intended to follow a three-phased approach, as follows: (a) identification of any differences between the original requirements for the Integrated Pension Administration System and the implemented solutions; (b) review of the new functionalities of the upgraded version of the System proposed by the vendor to compare them with the current functionalities; and (c) development of the terms of reference of the System audit to engage a suitable auditor with the support of the Procurement Division. The third phase is scheduled for completion in the second half of 2019. **The Committee concurs with the recommendations of the Board of Auditors on the Integrated Pension Administration System and welcomes the progress made in reducing the number of open workflows in the System in 2018. The Committee trusts that the audit of the System will be undertaken as soon as possible to help reduce its deficiencies. The Committee notes, however, that a previous recommendation on improvement of the System is still under implementation and recalls that the General Assembly, in its resolution 72/262 A, noted with concern the issues regarding the implementation of the System and requested the Pension Board to address all the pending issues (see A/72/5/Add.16, chap. II, para. 92, and section IV below).**

8. The Board of Auditors also found that, as at 31 December 2017, an additional number of 16,427 cases remained non-actionable owing to the non-receipt of documents from member organizations. In this regard, the Board of Auditors recommends that the Fund engage with the member organizations to resolve the transmission issues and develop a system for receiving the required documents through a secure electronic interface (see A/73/5/Add.16, chap. II, paras 46 and 47). The Advisory Committee was informed, upon enquiry, that the number of such cases had decreased from 16,427 to 11,712 between 1 January and 11 September 2018 (annex II to the present report contains a breakdown of the cases). With regard to the development of a secure electronic interface, the Committee was informed that the Fund had established a joint team with the Secretariat of the United Nations, defined a solution for the presentation in the Integrated Pension Administration System of the status of the separation documents and held preliminary discussions with the software vendor who supported the development of the current interfaces.

9. The Board of Auditors also recommends that the Fund develop an automatic signature verification system to facilitate the certificate of entitlement process.[4] Upon enquiry, the Advisory Committee was informed that the Fund had issued a request for information from potential vendors in November 2017. A contract for the development of the automatic signature verification system was expected to be awarded in early 2019. The Committee was also informed that the savings that would be derived from the adoption of the system were estimated at $86,880 per year. **The Committee concurs with the recommendation of the Board of Auditors on the**

[3] According to the information provided by the secretariat of the Fund, not all workflows, following review, would become actionable cases.

[4] The certificate of entitlement is a form used by the Fund to verify the continuing eligibility of retirees and beneficiaries for the benefits they are receiving.

development of an electronic signature verification system and trusts that it will be implemented expeditiously. The Committee notes, however, that previous recommendations of the Board of Auditors on the establishment of this system and the improvement of the certificate of entitlement process have not been fully implemented (see A/69/9, annex X, para. 51, A/72/5/Add.16, chap. II, para. 118, and section IV below).

10. **The Advisory Committee recalls that the General Assembly, in its resolution 72/262 A, expressed concern at the continued delays in the receipt of payments by some new beneficiaries and retirees of the Fund. The Committee recommends that the General Assembly request the Secretary-General and the Pension Board to take concrete steps to address the relevant issues raised by the Board of Auditors in its current and previous reports.**

Actuarial valuation

11. In its report, the Pension Board indicates that an actuarial valuation of the Fund was carried out to ascertain the Fund's position as at 31 December 2017. The valuation revealed an actuarial deficit of $184.3 million (the difference between the projected liabilities of $146,049.7 million and the projected assets of $145,865.4 million) compared with the actuarial valuation surplus of $562.1 million as at 31 December 2015. The consulting actuary determined that the contribution of the participants would have to increase from 23.70 per cent of their pensionable remuneration to 23.75 per cent to compensate for the projected actuarial deficit (see A/73/9, tables 3 and 5). In view of various factors, including the increased market value of assets in 2017 and the fact that the Fund was close to actuarial balance, the Committee of Actuaries considered, however, that the present contribution rate of 23.7 of pensionable remuneration was sufficient to cover the long-term obligations of the Fund. The Pension Board noted the importance of future real investment returns, at the 3.5 per cent target level, on the results of the actuarial valuations, took note of the latest results and welcomed the fact that Fund remained near actuarial balance (see A/73/9, paras. 59, 66, 67 and 78). **The Advisory Committee trusts that all efforts will be made to ensure that the Fund continues to meet its long-term target of an annual real rate of investment return of 3.5 per cent, together with other target indicators, as deemed possible (see also paras. 16–18 below).**[5]

12. The Advisory Committee was provided, upon request, with information on withdrawal settlements, which showed that in 2017 a total of 3,630 participants (2,632 participants from the United Nations Secretariat and its funds and programmes and 998 participants from the specialized agencies) received withdrawal settlements after participation in the Fund for a period of less than five years. The contribution retained by the Fund as part of the withdrawal settlement[6] was estimated at $80.3 million (including $58.5 million from the United Nations Secretariat and the funds and programmes and $21.7 million from the specialized agencies). According to the information provided, if the Fund did not retain this contribution, the rate of contribution for participants would have to increase by 0.9 per cent of pensionable remuneration to compensate for this change. **The Committee intends to revert to this issue in future reports.**

[5] The nominal rate of investment return is inflation-adjusted to provide the real rate of investment return.

[6] The withdrawal settlement in this case is a lump sum payable to staff members whose participation in the Fund lasts less than five years corresponding to their contributions to the Fund, as deducted from their salaries. The contribution of their employing organizations, which represents twice the amount contributed by the staff members, is retained by the Fund.

Vacancy rate

13. The Advisory Committee was informed, upon enquiry, that 291 staff members were working in the Fund in October 2018, including 207 staff in the secretariat of the Fund and 84 staff in the Office of Investment Management. The overall vacancy rate for established posts was 10.5 per cent as at 30 September 2018, reflecting a vacancy rate of 8.5 per cent for Professional posts (including 8.2 per cent in the secretariat of the Fund and 8.8 per cent in the Office of Investment Management) and 12.4 per cent for General Service posts (including 14.5 per cent in the secretariat of the Fund and 3.6 per cent in the Office of Investment Management). **The Committee recalls that the General Assembly, in its resolution 72/262 A, noted with concern the high number of vacant posts and requested the Secretary-General and the Pension Board to take appropriate measures to fill all vacant posts. While acknowledging that the overall vacancy situation of the Fund has improved (see A/71/621, paras. 14 and 30–33), the Committee notes with regret a high level of vacant General Service posts in the secretariat of the Fund and expects that appropriate measures will be taken to fill all vacant posts expeditiously.**

Governance

14. In its report, the Pension Board recommends that the General Assembly approve amendments to the Regulations of the Fund comprising, in particular: (a) the inclusion in article 4 of a provision stating that the Board shall adopt its own rules of procedure; (b) a change to article 6 providing that staff members of the Fund shall not be eligible to serve on the Pension Board; and (c) an amendment to article 48 to clarify the scope of the jurisdiction of the United Nations Appeals Tribunal in relation to certain cases arising from the decisions of the Standing Committee of the Pension Board (see A/73/9, paras. 13 and 425–435).[7] **The Advisory Committee is of the view that the adoption of the proposed amendments to the Regulations of the Fund would have legal consequences, and therefore trusts that these amendments will be considered by the appropriate bodies of the General Assembly. The Committee notes that, pursuant to General Assembly resolution 72/256, the proposed changes to the jurisdiction of the United Nations Appeals Tribunal over decisions of the Standing Committee, as reflected in the proposed amendments to the statute of the United Nations Appeals Tribunal, would be considered by the Sixth Committee of the General Assembly at the current session (see A/73/217/Add.1 and A/73/428, para. 5).**

15. In its report, the Pension Board indicates that, pursuant to General Assembly 72/262 A, the Office of Internal Oversight Services has issued a report on a comprehensive audit of the governance structure and related processes of the Pension Board (see A/73/9, paras. 339–352, and A/73/341). **The Advisory Committee considers the report of the Office of Internal Oversight Services to be under the direct purview of the General Assembly.**

[7] In judgments 2017-UNAT-801, *Faye v. UNJSPB*, and 2017-UNAT-807, *Rockcliffe v. UNJSPB*, the United Nations Appeals Tribunal found that, on the basis of the current article 48 of the Regulations, it was competent to hear and pass judgment on appeals alleging the non-observance of all of the Regulations of the Fund, including article 6, and decided that staff members of the Fund should be allowed to participate in the Pension Board as elected members (see A/73/9, paras. 438 to 440).

III. Investments of the Fund

Performance of the Fund

16. The Board of Auditors indicates that, in 2017, the total assets of the Fund increased from $54.73 billion to $64.78 billion and that investment income was $10.24 billion and the real rate of return was 16.5 per cent (see A/73/5/Add.16, chap. II, summary).[8] Taking into account the total liabilities of $411.29 million, the net assets available for benefits amounted to $64.37 billion as at 31 December 2017.[9] In his report on the investments of the Fund, the Secretary-General indicates that, as at the same date, the Fund had successfully met or exceeded its real rate of return objective for long-term investments of 3.5 per cent over the past 1, 2, 3, 5, 15, 20, 25 and 50 years (see A/C.5/73/3, para. 4).[10]

17. The Secretary-General also indicates that the Fund's nominal return of 18.6 per cent exceeded the return of its policy benchmark of 18.1 per cent over the past year, but was lower than the policy benchmark over the past two years. Figure II of the report shows that the Fund's return exceeded the policy benchmark in 10 of the last 18 reporting cycles. The Advisory Committee was informed, upon enquiry, that, according to the Office of Investment Management, the in-house management of assets was a better model than relying on external index trackers, considering that the Fund was a low-cost active investment entity with specific restrictions related to tobacco and armaments.[11] In a related matter, the Board of Auditors indicates in its report that the investment income of $10.24 billion in 2017 reflected mostly an appreciation in the fair value of investments of $9.08 billion (see A/73/5/Add.16, chap. II, para. 10).

18. **The Advisory Committee welcomes the investment performance of the Fund in 2017 and recommends that the General Assembly request the Secretary-General to include detailed information on the long-term strategy, performance and factors affecting this performance in the next report on the investments of the Fund. The Committee recalls that the General Assembly, in its resolutions 71/265 and 72/262 A, emphasized the importance of the Fund meeting its target annual real rate of return of 3.5 per cent.**

Foreign currency exposure

19. The Board of Auditors observes that the Fund gained $1.68 billion on account of foreign currency fluctuation in 2017, while it suffered losses (totalling $4.68 billion) on the same account from 2013 to 2016. The currency impact on the Fund's return over 3, 5 and 10 years was -0.43 per cent, -1.68 per cent and -0.91 per cent, respectively. The Board notes that, as at 31 December 2017, 44 per cent of the total investments of the Fund were in currencies other than the United States dollar, which exposed the Fund to foreign currency risks.

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[8] According to the report of the Pension Board and the report of the Secretary-General on the investments of the Fund, the real rate of return was 16.2 per cent in 2017 (see A/73/9, para.107, and A/C.5/73/3, para. 37).

[9] See chapter V of the report of the Board of Auditors (A/73/5/Add.16), which contains the financial statements of the Pension Fund for 2017.

[10] The Fund did not meet its real rate of return objective over the past 10 years (see A/C.5/73/3, figure I).

[11] Table 6 of the report of the Secretary-General on the investments of the Fund (A/C.5/73/3) shows that, in terms of equities, the Fund has outperformed the Morgan Stanley Capital International (MSCI) All Country World Index in only 4 of the 11 last reporting cycles. The Index can be regarded as a benchmark.

20. The Board also notes that the Fund conducted a formal currency study in 2017, as the result of which it was recommended that currency exposure relative to liabilities be reduced to the extent possible, taking into account cost-effectiveness and operational feasibility, and that details of the currency composition of the liabilities be included in the next asset and liability management study. The Board of Auditors recommends that the Fund take expeditious action on the recommendations of the currency study, expedite the asset and liability management study for alignment of its currency exposure with liabilities and evolve suitable strategies and an action plan to manage the foreign currency risks (see A/73/5/Add.16, chap. II, paras. 72–80).

21. The Advisory Committee was informed, upon enquiry, that the objective of the Office of Investment Management was to optimally manage currency exposures by taking advantage of the global diversification of its assets portfolio and minimizing uncompensated currency exposure. The Fund does not currently use active currency hedging, but it has commissioned a third-party study analysis comparing hedged and unhedged indices and indexes over the period 1990–2017. This analysis will be used when reconsidering the benchmark for fixed income. Moreover, in October 2018, the Office of Investment Management changed its benchmark for the cash portfolio to the United States dollar only, in contrast to the old benchmark which was based equally on the euro and the dollar. According to the Office, this change would eliminate uncompensated currency exposure in the cash portfolio. The Committee was also informed, upon enquiry, that the Office had expedited the process of selecting a consultant to conduct the asset and liability management study. The study is expected to be finalized in July 2019. As recommended by the Board of Auditors, the Office intends to use the results of this study to evolve suitable strategies, as appropriate, and an action plan to manage the foreign currency risks. **The Committee trusts that both studies will be conducted expeditiously and their results implemented promptly in order to minimize the risks related to the foreign currency exposure of the Fund and that information on these matters will be included in the next report of the United Nations Joint Staff Pension Board.**

Trade order management system

22. The Board of Auditors indicates that the Fund has adopted the Bloomberg Asset and Investment Manager as its trade order management system, and that it was selected through a non-competitive process. The contract was issued as a stop-gap arrangement for a three-year period from July 2015 to July 2018, subject to the undertaking of a competitive bidding process. The Advisory Committee was informed, upon enquiry, that the Headquarters Committee on Contracts had recommended in favour of the proposal for the trade order management system from Bloomberg, which was approved by the Representative of the Secretary-General at a cost of $2.6 million.[12] Subsequently, the Headquarters Committee on Contracts recommended a proposed extension of the contract for an additional period of four years at an additional cost of $21 million.[13] The Board considers that the failure to formulate the request for proposal even after the completion of the original contract period for the stop-gap arrangement and the extension of the contract by a further period of two plus two years, reflect the need for better procurement planning in the Fund. The Board recommends that the Fund properly plan and execute the acquisition of critical software. The Committee was informed, upon enquiry, that the Office of Investment Management was preparing the statement of work for the replacement of

[12] The procurement was made under financial rule 105.16 (a)(i), which applies to a situation in which there is no competitive marketplace for the requirement or where the requirement involves a proprietary product or service.

[13] The procurement was made pursuant to financial rule 105.13 (b), which applies to the amendments of contracts previously reviewed by the Headquarters Committee on Contracts.

the existing trade order management system and, in conjunction with the Procurement Division, would launch the pre-encumbrance process in late 2018.

Fraud risk assessment

23. In its report, the Board of Auditors indicates that, in accordance with the information circular on the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat (ST/IC/2016/25) issued in September 2016, systematic fraud risk assessments should be undertaken by the Fund. The Board notes that the Office of Investment Management has not yet carried out such an assessment. The need to review the control environment with regard to the use of information technology is particularly stressed by the Board, which recommends that the Fund conduct a fraud risk assessment of its investment management to identify the vulnerable areas and develop a suitable mitigation strategy. In the report on the implementation of the recommendations of the Board of Auditors, it is indicated that the Office of Investment Management will conduct an internal fraud risk assessment with the support of the Office of Internal Oversight Services. The assessment is scheduled to be completed in the second quarter of 2019 (see A/73/342, para. 36).

24. **The Advisory Committee concurs with the recommendations of the Board of Auditors related to the management of the Fund's investments, including the recommendation to conduct a fraud risk assessment, and trusts that they will be implemented expeditiously.**

Diversification of investments

25. Paragraphs 6 to 13 of the report of the Secretary-General on the investments of the Fund (A/C.5/73/3) provide information on the asset allocation by class of assets as at 31 December 2017. Table 1 of the report is reproduced below.

Asset allocation as at 31 December 2017

(Percentage)

	Strategic asset allocation		*Tactical tilt*	
Asset class	*Range*	*Policy*	*Range*	*Actual*
Global equities	50–69	58.0	52–64	61.98
Real assets	3–10	9.0	4–10	6.54
Alternative investments	0–10	5.0	2–8	3.55
Global fixed income	19–37	26.5	22–31	24.54
Cash and short term	0–6	1.5	0–6	3.40
Total	**100**			**100**

26. The Secretary-General indicates that, as at 31 December 2017, the asset allocation in global equity represented almost 62 per cent of the Fund's investments, compared with a target of 58 per cent. He indicates that the overweight in global equity is temporary, owing to the current underweight positions in alternative investments and real assets. He also indicates that the allocation in alternative investments included a commitment of $4.6 billion to 54 private equity funds managed by 34 managers.

27. With regard to fixed income, which represented 24.5 per cent of the assets of the Fund as at 31 December 2017, the Advisory Committee was provided with information showing that those assets had underperformed their benchmark over the past 5, 7 and 10 years. In his report, the Secretary-General indicates that 42.1 per cent

of the fixed-income portfolio was invested in United States dollars, compared with 55.8 per cent for the totality of the Fund's direct investments. As mentioned in paragraph 21 above, the Fund intends to use the results of a forthcoming study on hedging to reconsider the benchmark for fixed income.

28. In terms of geographical diversification, the Secretary-General indicates that, as at 31 December 2017, the Fund's assets were allocated as follows: 50.6 per cent in North America, 22.8 per cent in Europe and 19.2 per cent in Asia and the Pacific. The Fund had investments in 100 countries, including an investment of $6.62 billion in developing countries, which represents an increase of $770 million, or 13.1 per cent, compared with 2016 (see A/C.5/73/3, paras. 32 and 34, and A/73/5/Add.16, para. 192). Information on the geographical diversification of the Fund is contained in annex III to the present report.

29. **The Advisory Committee welcomes the efforts to enhance the Fund's investment profile and recalls that the General Assembly, in its resolution 72/262 A, requested the Secretary-General to continue to diversify its investments between developed, developing and emerging markets, wherever this serves the interests of the participants and the beneficiaries of the Fund, and to ensure that decisions concerning the investments of the Fund in any country are implemented, taking fully into account the four main criteria for investments, namely safety, profitability, liquidity and convertibility.**

IV. Implementation of the recommendations of the Board of Auditors

30. In the course of its audit of the Fund for 2017, the Board of Auditors followed up on 41 outstanding recommendations and noted that 20 of them (or 48.8 per cent of the total) had been fully implemented, 19 were still under implementation and 2 had not been implemented. The Board also noted an improvement compared with 2016, when only 19 per cent of its recommendations had been fully implemented. The Board observed, however, that a number of important recommendations were still under implementation (see A/73/3/Add.16, chap. II, paras. 6 and 7).

31. In the report of the Secretary of the Pension Board and the Representative of the Secretary-General for the investment of the assets of the Fund on the implementation of the recommendations of the Board of Auditors, it is indicated that the 17 recommendations contained in the report of the Board for 2017 (including 8 recommendations for the secretariat of the Fund and 9 recommendations for the Office of Investment Management) would be implemented in 2019 and 2020. It is also indicated that 20 outstanding recommendations from previous periods (including 12 recommendations for the secretariat of the Fund and 8 recommendations for Office of Investment Management) would be implemented as follows: 2 recommendations in 2018, 17 recommendations in 2019 and 1 recommendation in 2020 (see A/73/342, paras. 39–80).[14] **The Advisory Committee stresses again the importance for the Fund and the member organizations to implement all recommendations made by the Board of Auditors in its current and previous reports expeditiously (see A/71/621, para. 44, and A/72/7/Add.23, para. 52).**

[14] The recommendation contained in A/72/5/Add.16, chapter II, paragraph 118, in which the Board recommended that the Fund review the process of obtaining the certificate of entitlement and the suspended cases that are on hold for a longer period, is considered by the Fund as under implementation and by the Board as implemented.

V. Membership of the Investments Committee

32. Article 20 of the Regulations of the Pension Fund stipulates that the members of the Investments Committee shall be appointed by the Secretary-General after consultation with the Pension Board and the Advisory Committee, subject to confirmation by the General Assembly. Accordingly, the Secretary-General conveyed to the Pension Board and to the Advisory Committee the proposal to convert the ad hoc appointments of two Committee members into regular appointments for a three-year term beginning on 1 January 2019. In accordance with established procedures, the Advisory Committee conveyed its views on the proposal in a letter to the Secretary-General dated 15 October 2018.[15]

33. The Advisory Committee was informed, upon enquiry, that pursuant to article 20 of the Regulations of the Pension Fund, the Investments Committee shall consist of nine members. The Committee recalls that it concurred with the concerns expressed by the Pension Board regarding the geographical representation of the Investments Committee and the process of identifying candidates. **The Committee trusts that further efforts will be made to identify potential candidates from all regional groups (see A/71/621, para. 20, and A/72/7/Add.23, para. 55).**

VI. Conclusion

34. A draft resolution proposed for adoption by the General Assembly is annexed to the report of the Pension Board, together with proposed amendments to the Regulations of the Pension Fund (A/73/9, annexes XVIII and XI).

35. **The Advisory Committee recommends that the General Assembly take note of the report of the United Nations Joint Staff Pension Board and the report of the Secretary-General on the investments of the Fund, subject to its comments and recommendations above.**

36. **The Advisory Committee recommends that the General Assembly approve an exception to article 15 (b) of the Regulations of the Fund to effect a change from a biennial to an annual budget for the Fund on a trial basis, subject to the follow-up review by the Secretary-General in 2022 and the review by the General Assembly at its seventy-seventh session.**

[15] The Advisory Committee was informed on 23 October 2018 that the Secretary-General intended to proceed with the nomination of one Investment Committee member and to revert at a later date to the nomination of the other, following further consultations.

Annex I

Status of open workflows

Item	*Number of open workflows as at 31 December 2017*	*Number of open workflows as at 30 September 2018*
Participant account to be identified	134	86
Linked to estimate	61	55
Benefit calculation completed	10 189	369
Benefit paid	2 362	1 998
Death in service case to be closed	236	291
Total	**12 982**	**2 799**

Annex IV

Count of open workflows with missing separation documents as at 11 September 2018 by employer organization

Employer organization	*Both separation personnel action and payment instruction received*	*Only payment instruction received*	*No documents received*	*Only separation personnel action received*	*Both separation personnel action and separation notification received*	*Only separation notification received*	*Total*
United Nations	363	152	101	933	1 151	239	**2 939**
UNHCR	45	41	20	933	897	487	**2 423**
UNICEF	22	17	6	768	443	154	**1 410**
UNDP	82	70	31	294	700	175	**1 352**
WHO/IARC/PAHO	11	11	17	982	124	65	**1 210**
FAO/WFP	3	2	10	150	649	290	**1 104**
ILO	5	1	13	416	33	23	**491**
UNESCO	3	3	4	94	25	50	**179**
IOM		5	7	48	9	40	**109**
IAEA	1	4	7	5	44	36	**97**
UNOPS	1	15		7	58	14	**95**
ICC	1	1	4	15	22	29	**72**
ITU			1	24	6	14	**45**
ICAO	1	1	2	9	13	7	**33**
UNIDO			1	24	3	5	**33**
UNRWA				4	20	4	**28**
IFAD	3	3		10	8	3	**27**
WIPO		1	1	3	10	7	**22**
WMO				5	4	4	**13**
IMO			1	3	5	2	**11**
STL			1		4	6	**11**
WTO					2	3	**5**
UNIDEP			1				**1**
IPU						1	**1**
ICGEB						1	**1**
Total	**541**	**327**	**228**	**4 727**	**4 230**	**1 659**	**11 712**

Abbreviations: FAO, Food and Agriculture Organization of the United Nations; IAEA, International Atomic Energy Agency; IARC, International Agency for Research on Cancer; ICAO, International Civil Aviation Organization; ICC, International Criminal Court; ICGEB, International Centre for Genetic Engineering and Biotechnology; IFAD, International Fund for Agricultural Development; ILO, International Labour Organization; IMO, International Maritime Organization; IOM, International Organization for Migration; IPU, Inter-Parliamentary Union; ITU, International Telecommunication Union; PAHO, Pan American Health Organization; STL, Special Tribunal for Lebanon; UNDP, United Nations Development Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNIDEP, African Institute for Economic Development and Planning; UNIDO, United Nations Industrial Development Organization; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; WFP, World Food Programme; WHO, World Health Organization; WIPO, World Intellectual Property Organization; WMO, World Meteorological Organization; WTO, World Tourism Organization.

Annex III

Geographical diversification of the assets of the Fund as at 31 December 2017 by country

Region	*Equities*	*Percentage*	*Fixed income*	*Percentage*	*Short-term*	*Percentage*	*Liquid*	*Percentage*	*Real assets*	*Percentage*	*Alternatives*	*Percentage*	*Total fund*	*Percentage*
North America														
Canada	1 257 860 031	1.96	800 509 651	1.25			1 479 297		96 976 644	0.15			2 156 825 623	3.36
United States of America	18 668 856 592	29.11	5 069 319 959	7.90	780 832 193	1.22	513 080 260	0.80	2 560 439 921	3.99	637 804 142	0.99	28 230 333 068	44.02
External small cap	1 896 904 435	2.96											1 896 904 435	2.96
North America region									34 349 554	0.05	135 687 805	0.21	170 037 359	0.27
Subtotal	**21 823 621 058**	**34.03**	**5 869 829 610**	**9.15**	**780 832 193**	**1.22**	**514 559 557**	**0.80**	**2 691 766 120**	**4.20**	**773 491 947**	**1.21**	32 454 100 484	**50.60**
Europe														
Austria			80 053 063	0.12									80 053 063	0.12
Belgium	67 098 306	0.10	141 631 696	0.22									208 730 002	0.33
Denmark	111 364 465	0.17	16 825 776	0.03	3 215 885	0.01	(243)						131 405 883	0.20
Euro							135 507 747	0.21					135 507 747	0.21
Finland	120 871 454	0.19	141 812 993	0.22									262 684 447	0.41
France	1 521 029 810	2.37	705 955 671	1.10	71 429 923	0.11							2 298 415 404	3.58
Germany	1 219 322 879	1.90	625 550 454	0.98	3 502 584	0.01							1 848 375 917	2.88
Ireland	64 368 630	0.10	41 077 393	0.06	84 221 715	0.13							189 667 738	0.30
Italy	205 787 735	0.32	447 516 624	0.70	25 433 766	0.04							678 738 125	1.06
Netherlands	416 163 137	0.65	330 717 901	0.52	57 480 989	0.09							804 362 027	1.25
Norway	32 343 890	0.05	153 601 834	0.24	106 807 456	0.17							292 753 181	0.46
Portugal	6 808 837	0.01											6 808 837	0.01
Spain	334 493 992	0.52	337 242 200	0.53									671 736 192	1.05
Sweden	402 002 707	0.63	330 373 022	0.52	88 010 603	0.14	11 594 606	0.02					831 980 938	1.30
Switzerland	919 410 171	1.43	45 037 343	0.07	70 817 197	0.11	(17 562)						1 035 247 149	1.61
United Kingdom of Great Britain and Northern Ireland	1 907 717 740	2.97	645 157 485	1.01	30 080 075	0.05	5 751 327	0.01	133 516 182	0.21	28 788 998	0.04	2 751 011 807	4.29
External small cap	972 775 679	1.52											972 775 679	1.52
Europe region									274 982 949	0.43	295 213 973	0.46	570 196 922	0.89
Subtotal	**8 301 559 433**	**12.94**	**4 042 553 455**	**6.30**	**541 000 193**	**0.84**	**152 835 874**	**0.24**	**408 499 131**	**0.64**	**324 002 971**	**0.51**	13 770 451 057	**21.47**
Europe (emerging markets)														
Czechia			110 321 344	0.17									110 321 344	0.17
Estonia			37 238 523	0.06									37 238 523	0.06
Hungary			86 370 629	0.13									86 370 629	0.13

Region	*Equities*	*Percentage*	*Fixed income*	*Percentage*	*Short-term*	*Percentage*	*Liquid*	*Percentage*	*Real assets*	*Percentage*	*Alternatives*	*Percentage*	*Total fund*	*Percentage*
Greece	111 043	–	–	–	–	–	–	–	–	–	–	–	111 043	–
Latvia	–	–	4 728 624	0.01	–	–	–	–	–	–	–	–	4 728 624	0.01
Poland	58 704 030	0.09	308 196 931	0.48	–	–	212 507	–	–	–	–	–	367 113 468	0.57
Turkey	32 722 550	0.05	–	–	–	–	3 002	–	–	–	–	–	32 725 552	0.05
Russian Federation	196 083 012	0.31	–	–	–	–	–	–	–	–	30 908 309	0.05	226 991 321	0.35
Subtotal	**287 620 635**	**0.45**	**546 856 051**	**0.85**	**–**	**–**	**215 509**	**–**	**–**	**–**	**30 908 309**	**0.05**	**865 600 504**	**1.35**
Asia and the Pacific (emerging markets)														
China	2 392 248 282	3.73	95 803 602	0.15	198 379 873	0.31	5 096 428	0.01	–	–	29 523 355	0.05	2 721 051 539	4.24
India	326 359 670	0.51	–	–	–	–	3 777	–	35 307 733	0.06	–	–	361 671 180	0.56
Indonesia	109 611 296	0.17	–	–	–	–	–	–	–	–	–	–	109 611 296	0.17
Republic of Korea	740 742 868	1.15	476 775 099	0.74	–	–	–	–	–	–	–	–	1 217 517 967	1.90
Malaysia	101 665 137	0.16	159 347 995	0.25	107 573 493	0.17	867 139	–	–	–	–	–	369 453 764	0.58
Philippines	79 186 230	0.12	–	–	–	–	495 139	–	–	–	–	–	79 681 369	0.12
Thailand	100 207 563	0.16	50 912 364	0.08	–	–	341	–	–	–	–	–	151 120 267	0.24
Subtotal	**3 850 021 045**	**6.00**	**782 839 060**	**1.22**	**305 953 366**	**0.48**	**6 462 824**	**0.01**	**35 307 733**	**0.06**	**29 523 355**	**0.05**	**5 010 107 383**	**7.81**
Asia and the Pacific														
Australia	857 819 209	1.34	275 449 490	0.43	9 557 304	0.01	21 767 595	0.03	108 669 494	0.17	–	–	1 273 263 092	1.99
Japan	2 909 527 154	4.54	2 403 638 793	3.75	16 198 410	0.03	24 896 528	0.04	129 138 796	0.20	–	–	5 483 399 682	8.55
New Zealand	–	–	34 463 030	0.05	–	–	117 802	–	–	–	–	–	34 580 831	0.05
Singapore	171 094 002	0.27	104 181 153	0.16	–	–	13 501	–	–	–	–	–	275 288 656	0.43
External small cap	227 627 182	0.35	–	–	–	–	–	–	–	–	–	–	227 627 182	0.35
Subtotal	**4 166 067 547**	**6.50**	**2 817 732 466**	**4.39**	**25 755 714**	**0.04**	**46 795 426**	**0.07**	**237 808 290**	**0.37**	**–**	**–**	**7 294 159 444**	**11.37**
Africa														
South Africa	306 842 681	0.48	–	–	–	–	13 992	–	–	–	–	–	306 856 673	0.48
Regional Africa	92 003 912	0.14	40 648 783	0.06	–	–	–	–	–	–	–	–	132 652 695	0.21
Subtotal	**398 846 593**	**0.62**	**40 648 783**	**0.06**			**13 992**						**439 509 368**	**0.69**
Latin America and the Caribbean														
Brazil	368 832 598	0.58	–	–	–	–	339 071	–	66 325 707	0.10	24 910 061	0.04	460 407 437	0.72
Chile	47 972 731	0.07	68 844 008	0.11	–	–	2 058 613	–	–	–	–	–	118 875 353	0.19
Colombia	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mexico	120 560 421	0.19	280 149 287	0.44	–	–	30 141	–	–	–	–	–	400 739 848	0.62
Peru	23 867 550	0.04	–	–	–	–	–	–	–	–	–	–	23 867 550	0.04
Subtotal	**561 233 300**	**0.88**	**348 993 295**	**0.54**	**–**	**–**	**2 427 825**	**–**	**66 325 707**	**0.10**	**24 910 061**	**0.04**	**1 003 890 188**	**1.57**
Middle East														
Israel	13 471 422	0.02	–	–	–	–	–	–	–	–	–	–	13 471 422	0.02
Kuwait	–	–	–	–	100 050 570	0.16	–	–	–	–	–	–	100 050 570	0.16
Qatar	24 709 536	0.04	–	–	90 038 991	0.14	–	–	–	–	–	–	114 748 527	0.18

Region	*Equities*	*Percentage*	*Fixed income*	*Percentage*	*Short-term*	*Percentage*	*Liquid*	*Percentage*	*Real assets*	*Percentage*	*Alternatives*	*Percentage*	*Total fund*	*Percentage*
United Arab Emirates	24 031 106	0.04	10 594 773	0.02	–	–	–	–	–	–	–	–	34 625 880	0.05
Saudi Arabia	–	–	84 287 742	0.13	–	–	–	–	–	–	–	–	84 287 742	0.13
Regional Middle East	54 902 369	0.09	–	–	–	–	–	–	–	–	–	–	54 902 369	0.09
Subtotal	**117 114 434**	**0.18**	**94 882 516**	**0.15**	**190 089 561**	**0.30**	–	–	–	–	–	–	**402 086 511**	**0.63**
Other														
Emerging markets	–	–	48 555 572	0.08	–	–	–	–	31 147 236	0.05	59 351 848	0.09	139 054 655	0.22
International	232 894 112	0.36	695 934 803	1.09	–	–	–	–	401 877 678	0.63	840 619 281	1.31	2 171 325 874	3.39
Regional Asia	–	–	38 920 496	0.06	–	–	–	–	322 432 828	0.50	191 241 070	0.30	552 594 394	0.86
Regional frontier	33 577 046	0.05	–	–	–	–	–	–	–	–	–	–	33 577 046	0.05
Subtotal	**266 471 158**	**0.42**	**783 410 872**	**1.22**	–	–	–	–	**755 457 742**	**1.18**	**1 091 212 198**	**1.70**	**2 896 551 970**	**4.52**
Total	39 772 555 202	**62.01**	15 327 746 108	**23.90**	**1 843 631 027**	**2.87**	**723 311 006**	**1.13**	**4 195 164 724**	**6.54**	**2 274 048 841**	**3.55**	64 136 456 908	**100.00**

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General Assembly
Security Council

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General Assembly
Seventy-third session
Agenda items 66, 72 and 86

Peacebuilding and sustaining peace

Elimination of racism, racial discrimination, xenophobia and related intolerance

The rule of law at the national and international levels

Security Council
Seventy-third year

Letter dated 5 November 2018 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

Upon instructions from my Government and pursuant to my letters dated 11 May 2018 (A/72/869–S/2018/453), 3 January 2018 (S/2018/8), 13 October 2017 (S/2017/862) and 28 August 2017 (S/2017/739) regarding the continuous violations of Security Council resolution 2231 (2015) and the Joint Comprehensive Plan of Action (JCPOA) by the United States of America, I have the honour to bring to your attention the following:

On 6 August 2018, the President of the United States issued Executive Order 13846 "re-imposing certain sanctions with respect to Iran" and ordered most of those sanctions to come into effect on 5 November 2018. They are the same sanctions that the United States lifted on 16 January 2016 consistent with Security Council resolution 2231 (2015) and committed to "refrain from re-introducing or re-imposing" them. It shall be recalled that the JCPOA in its paragraph 26 provided for Iran to "treat such a re-introduction or re-imposition of the sanctions ... as grounds to cease performing its commitments" under the JCPOA in whole or in part.

The Islamic Republic of Iran, however, scrupulously fulfilled its nuclear-related commitments under the JCPOA, as has been repeatedly and consistently verified by the consecutive reports of the International Atomic Energy Agency (IAEA) — the latest of which was issued on 30 August 2018 (S/2018/835).

The United States most recent unilateral acts and sanctions brazenly and boldly disregard paragraphs 1, 2 and 10 of Security Council resolution 2231 (2015), flagrantly violate paragraphs 21, 22, 26, 27, 28, 29, 30, 32 and 33 of its annex A and deliberately flout paragraphs 2, 4, 5 and 6 of its annex B. These sanctions, as well as its previous reckless acts, are specifically designed "to directly and adversely affect economic relations with Iran" by intimidating third parties and pressuring other States to abide by its political aspirations. The United States not only blatantly defies

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Security Council resolution 2231 (2015), but also audaciously coerces other States to violate the resolution that all States "are obligated under Article 25 of the Charter of the United Nations to accept and carry out".

Those sanctions are illegal and run counter to the well-established principles as enshrined in the Charter of the United Nations and as accepted by the community of nations, such as the sovereign equality of States, non-intervention and non-interference in internal affairs of Member States and freedom of international trade and navigation.

The United States unilateral coercive measures, in particular those with extraterritorial application, invoke discrimination against civilians on the basis of the country of residence, or nationality. They are in violation of, inter alia, article 26 of the International Covenant on Civil and Political Rights and articles 1 and 2 of the International Convention on the Elimination of All Forms of Racial Discrimination.

In addition, the United States sanctions are contrary to the provisional measures that were ordered by the International Court of Justice on 3 October 2018 (S/2018/899, annex), inter alia, to alleviate their serious detrimental impacts on the health and lives of individuals. The implementation of the recent set of sanctions by the United States on 5 November 2018 would certainly lie within the scope of prohibited acts with an aggravating effect and the sanctions would be categorized as illegal wrongful acts contrary to the Court's dictum. It shall be recalled that the United States, as the party imposing unilateral sanctions against Iran, is under a mandatory obligation to refrain from any action that might aggravate or extend the dispute before the Court or make it difficult to solve.

The irresponsible conduct of the United States necessitates a collective response by the international community in order to uphold the rule of law, to prevent the undermining of diplomacy and to protect multilateralism. The United Nations and its Member States, in accordance with the Charter of the United Nations and international law, should resist these wrongful acts and hold the United States accountable for such acts. It shall be reiterated that the Security Council, in resolution 2231 (2015), which was adopted unanimously, called upon all Member States, regional organizations and international organizations to support the implementation of the JCPOA and to refrain from actions that undermine it.

I should be grateful if you would have the present letter circulated as a document of the General Assembly, under agenda items 66, 72 and 86, and of the Security Council.

(*Signed*) Gholamali **Khoshroo**
Ambassador
Permanent Representative

United Nations A/73/491

General Assembly

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Seventy-third session
Agenda item 148
Financing of the International Residual Mechanism for Criminal Tribunals

First performance report of the International Residual Mechanism for Criminal Tribunals for the biennium 2018–2019

Report of the Secretary-General

Summary

The present report identifies revised estimates for the International Residual Mechanism for Criminal Tribunals as a result of variations in costing parameters assumed at the time of the initial appropriation. The decreased requirements are the result of decreases with respect to vacancy rates and exchange rates, offset in part by increases with respect to standard costs and inflation. The General Assembly is requested to approve a revised appropriation for the biennium 2018–2019 in the amount of $195,720,600 gross ($174,690,800 net), reflecting a decrease of $303,500 gross ($356,800 net).

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I. Introduction

1. The primary purpose of the first performance report is to identify revised estimates for the International Residual Mechanism for Criminal Tribunals owing to variations in the rates of inflation and exchange and in the standards and vacancy rates assumed in the calculation of the initial appropriation.

2. The gross decrease in requirements of $303,500 resulting from the above technical adjustments is shown in tables 1 and 2. Table 1 reflects the changes by component and main determining factors, and table 2 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriation are provided in section II. In addition, the annex provides the budgetary assumptions used in the initial appropriation for the biennium 2018–2019 and the rates proposed in the present report.

Table 1
Summary of projected expenditures and income by component and main determining factors
(Thousands of United States dollars)

		Projected changes					
Component	*2018–2019 appropriation*[a]	*Exchange rate*	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	*Proposed revised appropriation*
A. Chambers	5 056.7	(19.8)	(9.4)	–	–	(29.2)	5 027.5
B. Office of the Prosecutor	31 133.9	(155.7)	5.7	581.2	(593.5)	(162.3)	30 971.6
C. Registry	139 409.2	(652.9)	307.0	2 640.6	(2 231.5)	63.2	139 472.4
D. Records management and archives	10 360.6	(55.1)	(15.2)	484.7	(356.6)	57.8	10 418.4
E. Liabilities for payment of pensions of retired judges	10 063.7	(61.2)	(171.8)	–	–	(233.0)	9 830.7
Total expenditure (gross)	**196 024.1**	**(944.7)**	**116.3**	**3 706.5**	**(3 181.6)**	**(303.5)**	**195 720.6**
Income							
Staff assessment income	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (net)	**175 047.6**	**(844.9)**	**85.2**	**3 259.7**	**(2 856.8)**	**(356.8)**	**174 690.8**

[a] As approved in General Assembly resolution 72/258 B.

Table 2
Summary of projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

		Projected changes					
Object of expenditure	*2018–2019 appropriation*[a]	*Exchange rate*	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	*Proposed revised appropriation*
Posts	39 442.9	(165.6)	411.2	3 259.7	(2 856.8)	648.5	40 091.4
Other staff costs	79 232.0	(408.8)	(100.2)	–	–	(509.0)	78 723.0
Non-staff compensation	11 549.2	(61.8)	(128.9)	–	–	(190.7)	11 358.5
Consultants	24.2	(1.1)	(0.5)	–	–	(1.6)	22.6
Experts	287.4	(0.5)	(2.9)	–	–	(3.4)	284.0
Travel of representatives	411.7	–	1.6	–	–	1.6	413.3
Travel of staff	2 927.0	–	11.8	–	–	11.8	2 938.8

Object of expenditure	2018–2019 appropriation[a]	Projected changes					Proposed revised appropriation
		Exchange rate	Inflation	Standard costs	Vacancy rates	Total	
Contractual services	14 784.0	(66.6)	(10.2)	–	–	(76.8)	14 707.2
General operating expenses	21 046.9	(113.8)	(58.7)	–	–	(172.5)	20 874.4
Hospitality	21.5	(0.2)	(0.2)	–	–	(0.4)	21.1
Supplies and materials	1 323.0	(6.9)	(13.3)	–	–	(20.2)	1 302.8
Furniture and equipment	2 763.0	(20.9)	(22.7)	–	–	(43.6)	2 719.4
Improvement of premises	212.3	2.9	(1.6)	–	–	1.3	213.6
Grants and contributions	1 022.5	(1.6)	(0.2)	–	–	(1.8)	1 020.7
Staff assessment	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (gross)	**196 024.1**	**(944.7)**	**116.3**	**3 706.5**	**(3 181.6)**	**(303.5)**	**195 720.6**
Income							
Staff assessment income	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (net)	**175 047.6**	**(844.9)**	**85.2**	**3 259.7**	**(2 856.8)**	**(356.8)**	**174 690.8**

[a] As approved in General Assembly resolution 72/258 B.

II. Explanation of the variances in gross requirements

4. The variances resulting from the main determining factors reflected in tables 1 and 2 amount to a decrease of $303,500 in expenditure requirements, for a total revised appropriation of $195,720,600 (gross), the details of which are set out in table 3 below.

Table 3
Projected changes in budget estimates for the biennium 2018–2019

(Thousands of United States dollars)

Category	Amount	Factor
Appropriation[a]	196 024.1	
Variances relating to changes in budgetary assumptions on:		
Exchange rates	(944.7)	Based on United Nations operational rates of exchange
Inflation assumptions	116.3	Based on consumer price indices, post adjustment multipliers promulgated and actual versus budgeted cost-of-living adjustments
Standard salary and common staff costs	3 706.5	Based on analysis of actual payroll data, common staff costs and staff assessment provisions
Vacancy rates	(3 181.6)	Based on analysis of actual vacancy rates
Revised total	**195 720.6**	

[a] As approved in General Assembly resolution 72/258 B.

A. Exchange rates

(Decrease: $944,700)

5. As indicated in the proposed revised budget for the biennium 2018–2019 for the International Residual Mechanism (A/72/813 and A/72/813/Corr.1, para. 29), the

programme budget is recosted in line with the standard regular budget recosting methodology. In line with section IX of General Assembly resolution 69/274 A, the budgeted exchange rates approved in the initial appropriation were based on a forward exchange rate for which an active forward market exists.

6. In the present report, the exchange rate realized from January to October 2018 has been applied to 2018 (see figures I and II), with the approved 2018 forward rate applied to November and December 2018. For 2019, the revised forward rates of 0.835 for the euro and 2,344.55 for the Tanzanian shilling have been applied, compared with the rates of 0.833 for the euro and 2,290.69 for the Tanzanian shilling assumed in the initial appropriation.

7. The decrease of $944,700 reflects the reduced requirements for the biennium 2018–2019 owing mainly to the impact of the above adjustments.

Figure I
Performance of the euro against the United States dollar, 2018

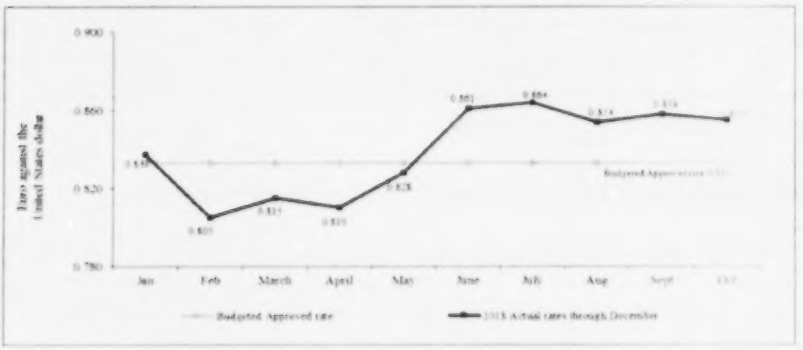
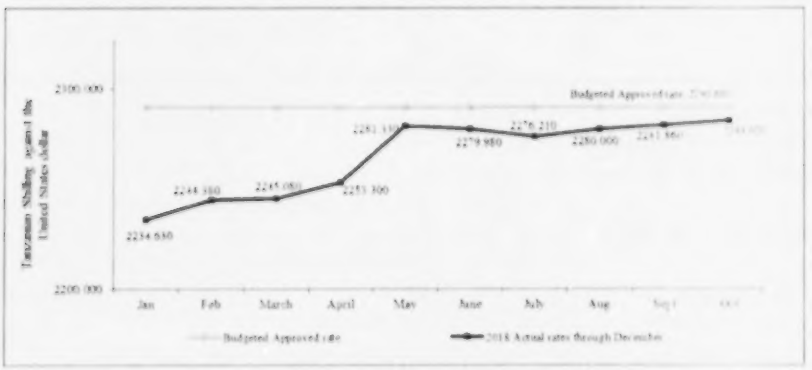


Figure II
Performance of the Tanzanian shilling against the United States dollar, 2018



B. Inflation assumptions

(Increase: $116,300)

8. The revised projected inflation rates applied to all objects of expenditure for the International Residual Mechanism in Arusha, United Republic of Tanzania, and The Hague, Netherlands, are based on: (a) post adjustment multipliers that have been promulgated by the International Civil Service Commission (ICSC) for staff in the

Professional and higher categories for the period from January to October 2018 and projections by ICSC based on updated parameters for exchange rates and inflation; (b) actual versus budgeted cost-of-living adjustments based on prevailing market conditions for staff in the General Service and related categories as experienced in 2018 and projections for 2019; and (c) the latest available information on consumer price indices as derived from *The Economist* for non-post objects of expenditure.

9. The increased requirements relate mainly to the post object of expenditure owing to higher inflation with regard to multiplier changes, including consolidation of point adjustments, compared with those assumed in the initial appropriation.

C. Standard salary and common staff costs

(Increase: $3,706,500)

10. Adjustments to standard costs reflect the net effect of changes in standard salary costs, common staff costs and staff assessment. Revisions to standard salary costs for 2018 are based on the actual payroll averages experienced thus far, by category and level, at each duty station. For the present report, the monthly payroll averages from January to September 2018 for Arusha and The Hague have been analysed for each category and level and compared with those used in the initial appropriation. Projections for 2019 are based on the trends experienced in 2018.

11. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Adjustments to common staff costs are based on the analysis of actual common staff costs experienced at the two duty stations during the biennium 2016–2017 and the current period from January to September 2018, compared with those assumed in the initial appropriation.

12. The increase of $3,706,500, mainly under common staff costs, reflects an increase in pension subsidy related to the revised pensionable remuneration scales for the Professional category issued by ICSC in February 2017 and February 2018 and increases related to staff movement, including appointment, separation and transfer entitlements, as well as a related increase in staff assessment.

D. Vacancy rates

(Decrease: $3,181,600)

13. The decrease of $3,181,600 results from adjustments made to the 2018–2019 vacancy rates to take into account the experience realized in 2018, as reflected in the annex to the present report.

III. Action requested of the General Assembly

14. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To approve a revised appropriation for the biennium 2018–2019 in the amount of $195,720,600 gross ($174,690,800 net), reflecting a decrease of $303,500 gross ($356,800 net).**

Annex

Budgetary assumptions for the International Residual Mechanism for Criminal Tribunals for the biennium 2018–2019

	The Hague				Arusha				New York			
	[illegible]		[illegible]		[illegible]		Present report		Initial appropriation		Present report	
Budget parameters	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Rate of exchange[a]	0.833	0.833	0.838	0.835	2 290.690	2 290.690	2 269.069	2 344.550	1.000	1.000	1.000	1.000
Inflation rate (percentage)	1.6	1.8	1.9	2.3	5.4	5.5	2.9	4.8	2.2	2.3	2.8	2.4
Post adjustment multiplier (percentage)	41.00	41.73	40.26	39.85	37.13	38.73	39.07	36.23	66.15	69.78	66.70	67.38
Common staff costs rate (percentage)	34.8	34.8	42.2	42.2	48.9	48.9	62.0	62.0	41.2	41.2	48.5	48.5
Vacancy rates for continuing posts (percentage):												
Professional and higher categories	7.5	7.5	0.9	0.9	8.1	8.1	19.3	19.3	25.8	25.8	–	–
General Service and related categories	1.3	1.3	2.3	2.3	1.6	1.6	11.7	11.7	–	–	–	–
Vacancy rates for new posts (percentage):												
Professional and higher categories	50	50	50	50	50	50	50	50	50	50	50	50
General Service and related categories	35	35	35	35	35	35	35	35	35	35	35	35

[a] The Hague: euro to United States dollar; Arusha: Tanzanian shilling to United States dollar.

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Programme budget for the biennium 2018–2019

Revised estimates relating to the United Nations Truce Supervision Organization under section 5, Peacekeeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on revised estimates relating to the United Nations Truce Supervision Organization (UNTSO) under section 5, Peacekeeping operations, of the programme budget for the biennium 2018–2019 (A/73/402), in which the additional amount of $2,315,400 (net) is proposed. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 26 October 2018.

2. The report of the Secretary-General is submitted pursuant to Security Council resolutions 2361 (2017) and 2394 (2017),[1] in which the Council, inter alia, welcomed the progress made towards the gradual re-establishment of the United Nations presence on the Bravo side of the Golan, following improvements in the security situation.

3. UNTSO was established pursuant to Security Council resolution 50 (1948). In accordance with Council resolution 73 (1949), the overall purpose of UNTSO is to observe and maintain the unconditional ceasefire and assist the parties to the 1949 Armistice Agreements in the supervision of the application and observance of the terms of those Agreements. In the proposed programme budget for the biennium 2018–2019, under section 5, Peacekeeping operations, information is provided regarding UNTSO activities for the current biennium, which continue to include liaison with regional authorities and observer deployment to the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (see A/72/6 (Sect. 5) and A/72/6 (Sect. 5)/Corr.1, paras. 5.85–5.89).

[1] The Advisory Committee notes subsequent related Security Council resolution 2426 (2018), adopted on 29 June 2018.

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4. In his report on revised estimates, the Secretary-General indicates that UNTSO has deployed military observers serving in Observer Group Golan to UNDOF since 1974 to conduct observation activities in support of the UNDOF mandate. The Secretary-General further indicates that, while Observer Group Golan has served under the operational control of the UNDOF Force Commander, it remains under the administrative responsibility of UNTSO (see A/73/402, para. 1). **The Advisory Committee recalls its previous comment in relation to UNDOF on the importance of cooperation among United Nations peacekeeping missions and other entities in the region (see A/71/836/Add.2, para. 43). In this respect, the Committee stresses the need to avoid overlap and duplication, whenever feasible.**

5. The Secretary-General indicates that, with the escalation of the conflict in the Syrian Arab Republic in 2014, the security situation on the ground deteriorated, leading UNDOF and Observer Group Golan to withdraw temporarily from some of their positions on the Bravo side of the ceasefire line. Owing to their rapid withdrawal, the UNDOF Camp Faouar headquarters and observation posts manned by Observer Group Golan were left unprotected and sustained considerable loss of equipment and facility damage (see A/73/402, para. 4). In particular, the Advisory Committee was informed, upon enquiry, that the overall value of the losses related to observation posts 71 and 72, for which resources are presently requested by the Secretary-General (see para. 7 below), amounted to approximately $1.1 million, comprising $830,000 in damage to facilities, $220,000 in lost equipment and $70,000 in lost expendable items.

6. Following improvements in the security situation, UNDOF developed a phased plan, currently under implementation, to re-establish its presence in the vacated areas and resume operations on the Bravo side (see S/2018/244, paras. 22–25). In this respect, the Advisory Committee was informed, upon enquiry, that approximately $1.2 million had been spent in 2017 and $1.4 million in 2018 under the terms of General Assembly resolution 72/264 on unforeseen and extraordinary expenses for the biennium 2018–2019, mainly for the renovation of hard-walled structures, the acquisition and construction of prefabricated accommodation and the purchase of four armoured vehicles, to support the return of UNTSO military observers and the resumption of mobile patrol activities.

7. The Advisory Committee was informed that the proposed revised estimates relating to UNTSO in the amount of $2,315,400 (net of staff assessment) followed the technical assessment completed by the Department of Peacekeeping Operations and the Department of Field Support in May 2018, which provided the basis for the reoccupation of observation posts 71 and 72, as envisaged in the third phase of the UNDOF plan. Those requirements would provide for non-post resources necessary for the gradual resumption of activities on the Bravo side, primarily through the reconstruction and rehabilitation of observation posts 71 and 72 in the light of the damage and losses incurred. The Secretary-General indicates in his report that those additional requirements were not included in the initial programme budget proposal for section 5 (including UNTSO), owing to the timeline for the preparation of the budget and the uncertain security situation at that time. Upon enquiry, the Committee received clarification that the financial implications of the report of the Secretary-General relate only to 2019. Detailed information is contained in section III of that report.

8. With regard to the amount of $1,272,600 requested under improvement of premises, the Advisory Committee was informed, upon enquiry, that it would provide for a reinforced concrete shelter, reinforced concrete T-walls, prefabricated buildings for accommodation and offices, septic tanks and soak pits, and security installations, among other needed works. The Committee was also informed that an amount of $305,200 would provide for the replacement of equipment at observation posts 71

and 72, including self-supporting towers with enhanced communications equipment and capabilities. With regard to the pattern of expenditures against the approved budget for improvement of premises for the biennium 2018–2019, the Committee notes that only $30,000, or 3.6 per cent, of the appropriation of $818,400 had been spent as at 30 September 2018. **The Committee trusts that the Secretary-General will provide to the General Assembly, at the time of its consideration of his report, additional information on the amount being sought for the improvement of premises, particularly in the light of the low rate of expenditure under this budget line.**

9. **Subject to its observations in paragraphs 4 and 8 above, the Advisory Committee recommends the approval of the additional resources in the amount of $2,315,400 for UNTSO.**

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First performance report on the programme budget for the biennium 2018–2019

Report of the Secretary-General

Summary

Under the arrangements endorsed by the General Assembly in its resolution 32/211, the present report reflects adjustments required as a result of variations in costing parameters assumed at the time of the initial appropriation, unforeseen and extraordinary items and additional mandates and decisions that are best dealt with in the context of the performance report.

The revised estimates under the expenditure sections of the budget amount to $5,556.2 million, representing an increase of $159.8 million compared with the appropriation level approved by the General Assembly in its resolutions 72/262 C, 72/263 A–C and 72/266 B. The revised estimates under the income sections amount to $554.9 million, representing an increase of $2.6 million.

The report includes the proposals to adjust the level of the Working Capital Fund and replenish the Special Account, to adjust the recosting methodology for the International Trade Centre and to establish the contingency fund level for 2020.

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I. Introduction

1. The primary purpose of the first performance report, which is submitted in the first year of each biennium, is to identify revised estimates required because of variations in the rates of inflation and exchange and in standards since the calculation of the initial appropriations. This is in conformity with the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see A/32/8 and A/32/8/Corr.1, para. 14), which was endorsed by the General Assembly at its thirty-second session (resolution 32/211).

2. The performance report also takes into account additional mandates approved by the General Assembly and the Security Council since the approval of the budget appropriation, unforeseen and extraordinary items that could not be deferred to the following biennium and decisions of policymaking organs that are best dealt with in the context of the performance report.

3. The Board of Auditors indicated that the actual consumption figures for the first 10 months of the biennium should be factored in when revised estimates are formulated for any adjustments to budgetary allocations and recommended that the Administration review the methodology for the preparation of the first performance report to include consideration of actual expenditures so as to strengthen the monitoring of the budgeting process (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II, paras. 21 and 22). The Advisory Committee concurred with the Board's recommendation that inclusion of actual expenditures for the first 10 months of the biennium in the first performance report could be a useful tool in determining revised estimates and adjusting budgetary allocations accordingly (see A/72/537, para. 37), which was endorsed by the General Assembly in its resolution 72/8 A. In line with the current methodology, actual expenditure experience for 2018 has informed the adjustments to the parameters for currency, inflation and standard costs, including vacancy rates. Annex III to the present report provides details on expenditures for the period from January to October 2018.

4. The increases in revised estimates for expenditure sections and income sections are summarized in tables I.A and I.B.

Table I

A. Summary of revised estimates for expenditure sections

(Thousands of United States dollars)

			Increase	
	Appropriation[a]	*Revised estimate*	*Amount*	*Percentage*
Expenditure	5 396 427.5	5 556 228.9	159 801.4	3.0

[a] See resolutions 72/262 C, 72/263 A–C and 72/266 B.

B. Summary of revised estimates for income sections

(Thousands of United States dollars)

			Increase	
	Income estimates	*Revised estimate*	*Amount*	*Percentage*
Income[a]	552 311.8	554 903.7	2 591.9	0.5

[a] Income estimates are used to offset Member State assessments.

5. An explanation of the variations in the costing parameters assumed in the calculation of the initial appropriation is provided in section II, parts C to F, below. Schedules 1 to 4 and annexes I to III provide the costing parameters used in the initial appropriation, the proposed revisions for the biennium 2018–2019 and their effect on budget sections and duty stations, as follows:

- Schedule 1: the rates of exchange and inflation used in the initial appropriation for the biennium 2018–2019 and the rates proposed in the present report
- Schedule 2: the post adjustment multipliers used in the initial appropriation and the actual post adjustment multipliers for 2018 promulgated by the International Civil Service Commission (ICSC) and the revised projected rates for 2019
- Schedule 3: the actual United Nations operational rates of exchange against the United States dollar in effect at the various duty stations for the first 10 months of 2018 and projections for November and December 2018
- Schedule 4: the cost-of-living adjustments for staff in the General Service and related categories assumed in the initial appropriation for the biennium 2018–2019, the adjustments effected in 2018 and the revised assumptions for 2019
- Annex I: revised estimates:

  A: By budget section and main determining factor

  B: By duty station and main determining factor
- Annex II: revised estimates for jointly financed activities and inter-organizational security measures by main determining factor
- Annex III: expenditures incurred under the regular budget for the biennium 2018–2019 as at 31 October 2018

II. Expenditure sections

6. The revised estimates resulting from the factors mentioned below would increase by $159.8 million, for a total of $5,556.2 million for the biennium. The details are summarized in table 2.

Table 2
Projected changes in budget estimates for expenditure sections for the biennium 2018–2019

(Thousands of United States dollars)

Category	*Amount*	*Factor*
Initial appropriation	5 396 907.3	Resolution 72/263 A–C
Reduced appropriation[a]	(479.8)	Resolutions 72/262 C and 72/266 B
Programme budget appropriation	5 396 427.5	
(a) Unforeseen and extraordinary expenses	13 130.7	Commitments approved by the Advisory Committee, certified by the Secretary-General in respect of peace and security and inter-organizational security measures, and by the President of the International Court of Justice in accordance with resolution 72/264
(b) Decisions of policymaking organs:		
Subvention to the Residual Special Court for Sierra Leone	2 300.0	Resolution 72/262 A (see sect. VIII)

Category	*Amount*	*Factor*
Subvention to the Extraordinary Chambers in the Courts of Cambodia	8 000.0	Resolution 72/262 A (see sect. IX)
(c) Variations in budgetary assumptions		
Exchange rates	9 544.7	United Nations operational rates of exchange
Outcome of forward purchases	770.4	United Nations operational rates of exchange
Inflation rates	12 619.8	Consumer price indices, post-adjustment multipliers promulgated by ICSC and actual cost-of-living adjustments
Standard costs	30 474.6	Actual payroll data, common staff costs and staff assessment
Vacancy rates	82 961.2	Updated average vacancy rates
Revised total	**5 556 228.9**	

[a] Includes the reductions approved by the General Assembly during the resumed seventy-second session relating to: (a) the report of the Secretary-General entitled "Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability" (A/72/492/Add.2); and (b) revised estimates relating to the programme budget for the biennium 2018–2019 under section 3, Political affairs, and section 5, Peacekeeping operations, and the proposed budget for the support account for peacekeeping operations for the period from 1 July 2018 to 30 June 2019 related to the peace and security reform.

7. The Secretary-General has issued and, where applicable, will issue revised estimates and statements of programme budget implications in response to draft resolutions considered by the Main Committees at the current session of the General Assembly. These amounts are requested in separate reports and are not part of the requirements included in the first performance report. The amounts will be revised, where applicable, to reflect the costing parameters approved by the Assembly during its consideration of the present report and, subject to the decisions of the Assembly, will affect the level of the revised appropriation. At the time of reporting, the amounts proposed in those reports amounted to approximately $298.7 million, as follows:

(a) Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (A/73/352 and addenda) ($209.0 million);

(b) Administration of justice at the United Nations (A/73/217, A/73/428) ($1.7 million);

(c) Proposal for the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific premises in Bangkok (A/73/327, A/73/425) ($4.5 million);

(d) Progress in the renovation of Africa Hall and the construction of new office facilities at the Economic Commission for Africa in Addis Ababa (A/73/355) ($8.9 million);

(e) Revised estimates relating to the Office of the Victims' Rights Advocate under section 1, Overall policymaking, direction and coordination, section 29B, Department of Operational Support, and section 36, Staff assessment (A/73/412) ($0.9 million);

(f) Tenth progress report on the enterprise resource planning project (A/73/389) ($2.1 million);

(g) Revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its thirty-seventh, thirty-eighth and thirty-ninth sessions and twenty-eighth special session (A/73/477) ($29.1 million);

(h) Progress on the replacement of office blocks A–J at the United Nations Office at Nairobi (A/73/344, A/73/426) ($6.6 million);

(i) Proposal for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean in Santiago (A/73/351, A/73/457) ($0.7 million);

(j) Revised estimates relating to the United Nations Truce Supervision Organization under section 5, Peacekeeping operations (A/73/402, A/73/492) ($2.3 million);

(k) Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all (A/72/124-E/2018/3, A/73/424) ($13.6 million);

(l) Progress on the implementation of a flexible workplace at United Nations Headquarters (A/73/370 and A/73/370/Corr.1) ($6.6 million);

(m) Request for a subvention to the Extraordinary Chambers in the Courts of Cambodia (A/73/331, A/73/448) ($9.7 million for 2019);

(n) Request for a subvention to the Residual Special Court for Sierra Leone (A/73/379 and A/73/379/Corr.1) ($3.0 million for 2019).

8. Furthermore, it is anticipated that a number of draft resolutions yet to be submitted to the General Assembly would give rise to statements of programme budget implications.

A. Unforeseen and extraordinary expenses (increase: $13.1 million)

9. Under the terms of General Assembly resolution 72/264, on unforeseen and extraordinary expenses for the biennium 2018–2019, the Secretary-General is authorized, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to enter into commitments to meet unforeseen and extraordinary expenses, except that the concurrence of the Advisory Committee shall not be necessary for such commitments not exceeding a total of $8 million in any one year that the Secretary-General certifies as relating to the maintenance of peace and security; such commitments as the President of the International Court of Justice certifies as relating to expenses occasioned by a number of situations in the Court as prescribed in paragraph 1 (b) of the resolution; and such commitments not exceeding a total of $1 million that the Secretary-General certifies as required for security measures as prescribed in paragraph 1 (c).

10. As reflected in table 3.A–C, such commitments in the amount of $13.1 million are as follows:

(a) Commitments approved by the Advisory Committee in the amount of $7.8 million relating to: (i) the human rights situation in the Syrian Arab Republic (Human Rights Council resolution 37/29); (ii) the situation of human rights in South Sudan (Human Rights Council resolution 37/31); (iii) the situation of human rights in Myanmar (Human Rights Council resolution 37/32); (iv) technical assistance to the Democratic Republic of the Congo and accountability concerning the events in the Kasai region (Human Rights Council resolution 38/20); and (v) violations of international law in the context of large-scale civilian protests in the Occupied

Palestinian Territory, including East Jerusalem (Human Rights Council resolution S-28/1), which are reflected in table 3.A;

(b) Commitments in the amount of $5.0 million certified by the Secretary-General as relating to the maintenance of peace and security and for security measures related to the security of United Nations staff and premises, as reflected in table 3.B;

(c) Commitments in the amount of $0.4 million certified by the President of the International Court of Justice as relating to unforeseen expenses in respect of the Court, as reflected in table 3.C.

11. Those expenses relate to budget sections 3, 5, 7, 24 and 29F, as set out below.

Table 3
Unforeseen and extraordinary expenses

A. Commitments approved by the Advisory Committee ($7,753,900)[a]

(Thousands of United States dollars)

Section 24. Human rights	
Human rights situation in the Syrian Arab Republic[b]	2 879.7
Situation of human rights in South Sudan[c]	1 971.8
Situation of human rights in Myanmar	230.2
Technical assistance to the Democratic Republic of the Congo and accountability concerning the events in the Kasai region	1 190.9
Violations of international law in the context of large-scale civilian protests in the Occupied Palestinian Territory, including East Jerusalem	1 460.5
Section 29F. Administration, Geneva	
Situation of human rights in South Sudan	20.8
Total	**7 753.9**

[a] The amounts take into account actual expenditure experience and are therefore lower than the total amount approved by the Advisory Committee on Administrative and Budgetary Questions.

[b] Appropriation requested pursuant to Human Rights Council resolution 37/29 takes into account the projected expenditures of $3.8 million and the fund balance remaining from the previous mandate extension of the Independent International Commission of Inquiry on the Syrian Arab Republic of $0.96 million.

[c] Appropriation requested pursuant to Human Rights Council resolution 37/31 takes into account the projected expenditures of $2 million and the fund balance remaining from the previous mandate extension of the Commission on Human Rights in South Sudan of $31,800.

B. Commitments approved by the Secretary-General ($4,966,800)

(Thousands of United States dollars)

Section 3. Political affairs	
Follow-on mechanism for the Democratic Republic of the Congo	1 232.3
Border controversy between Guyana and Venezuela (Bolivarian Republic of)	136.5
Special Envoy of the Secretary-General (AMISOM funding)	75.7
United Nations Investigative Team to Promote Accountability for Crimes Committed by Da'esh/Islamic State in Iraq and the Levant	1 303.6
Security Council mission to Bangladesh and Myanmar	340.3
Personal Envoy of the Secretary-General for the talks between Greece and the former Yugoslav Republic of Macedonia	97.3

Surge capacity in support of the electoral process in Iraq	101.1
Creation of temporary electoral positions in UNSOM for 2018	300.0
Section 5. Peacekeeping operations	
Resumption of UNTSO observation operations in the Syrian Arab Republic	1 380.0
Total	**4 966.8**

Abbreviations: AMISOM, African Union Mission in Somalia; UNSOM, United Nations Assistance Mission in Somalia; UNTSO, United Nations Truce Supervision Organization.

C. Commitments approved by the President of the International Court of Justice ($410,000)

(Thousands of United States dollars)

Section 7. International Court of Justice	
Payment of pensions and travel of members of the Court	410.0
Total	**410.0**

B. Decisions of policymaking organs

1. Subvention to the Extraordinary Chambers in the Courts of Cambodia

Section 8. Legal Affairs ($8,000,000)

12. In section IX of its resolution 72/262 A, the General Assembly authorized the Secretary-General to enter into commitments in an amount not to exceed $8.0 million to supplement the voluntary financial resources of the international component of the Extraordinary Chambers in the Courts of Cambodia for the period from 1 January to 31 December 2018, and requested the Secretary-General to submit to the Assembly at the main part of its seventy-third session a report on the use of the commitment authority.

13. In line with the General Assembly's request, the Secretary-General submitted a report on the request for a subvention to the Extraordinary Chambers in the Courts of Cambodia (A/73/331), wherein he provided details on the judicial progress achieved by the Extraordinary Chambers since his previous report, a projection regarding the anticipated use of the approved commitment authority for 2018 and information on the revised budget of the Extraordinary Chambers for 2019, and sought the Assembly's approval of an appropriation for a subvention for the international component of the Extraordinary Chambers in the amount of $9.7 million for 2019. The utilization of the commitment authority for 2018 was detailed in paragraphs 31 and 35 of the Secretary-General's report. In the present report, an appropriation is sought in the amount of $8,000,000 from the commitment authority under section 8, Legal affairs, of the programme budget for the biennium 2018–2019.

2. Subvention to the Residual Special Court of Sierra Leone

Section 8. Legal Affairs ($2,300,000)

14. In section VIII of its resolution 72/262 A, the General Assembly authorized the Secretary-General to enter into commitments in an amount not to exceed $2.3 million to supplement the voluntary financial resources of the Residual Special Court for Sierra Leone for the period from 1 January to 31 December 2018 as a bridging financing mechanism and requested him to report, at the main part of the seventy-third session of the Assembly, on the use of the commitment authority.

15. In line with the General Assembly's request, the Secretary-General submitted a report on the use of the commitment authority and request for a subvention to the Residual Special Court for Sierra Leone (A/73/379 and A73/379/Corr.1), wherein he addressed the use of the commitment authority and options for future financing arrangements for the Court and requested a subvention for 2019 in the amount of $3.0 million to enable the Court to continue to carry out its mandate in 2019. The utilization of the commitment authority for 2018 was detailed in paragraphs 4 and 5 of the Secretary-General's report; the Court expects that an amount of $2.3 million of the commitment authority would be utilized during the period from 1 January to 31 December 2018. In the present report, an appropriation is sought in the amount of $2,300,000 from the commitment authority under section 8, Legal affairs, of the programme budget for the biennium 2018–2019.

C. Changes in exchange rates (net increase of $10.3 million)

16. In line with section IX of General Assembly resolution 69/274 A, the budgeted exchange rates approved in the initial appropriation were based on forward exchange rates for which an active forward rate exists. For the Ethiopian birr, the Lebanese pound and the Trinidad and Tobago dollar, the latest operational rate of exchange was used, as no active market with forward rates exists.

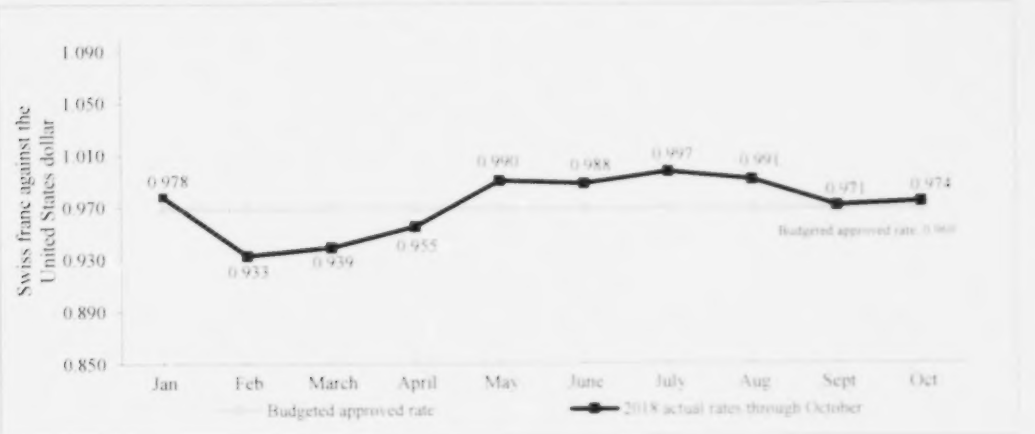
17. In the present performance report, the exchange rate realized from January to October 2018 has been applied. For the Swiss franc and the euro, the approved 2018 forward rate has been applied to November and December 2018, and the revised forward rate (contracted in October 2018) has been applied to 2019. In respect of the other duty stations, the October rate has been applied for November and December 2018, and for 2019, the revised forward rate (estimated in October 2018) has been applied for those duty stations for which an active forward market rate exists. For the Ethiopian birr, the Lebanese pound and the Trinidad and Tobago dollar, the October rate was also applied to 2019.

18. The overall net increase of $10.3 million relates mainly to the use of the rate of SwF 0.947 to the dollar for 2019 compared to the rate of SwF 0.969 applied in the initial appropriation.

19. With respect to the Swiss franc, the average rate experienced for 2018 based on January to October actual rates and projections for November and December was SwF 0.971 to the dollar, compared with the assumption of SwF 0.969 used in the initial appropriation, resulting in lower requirements of $1.2 million. The amount is offset in part by $0.5 million relating to losses from forward purchases of Swiss francs realized for the period from January to October 2018.

20. For 2019, the revised forward rate (contracted in October 2018) of SwF 0.947 has been used in the performance report compared to the rate of SwF 0.969 applied in the initial appropriation. This change has resulted in additional requirements of $12.0 million for 2019. Figure I reflects the experience of the Swiss franc against the dollar from January to October 2018.

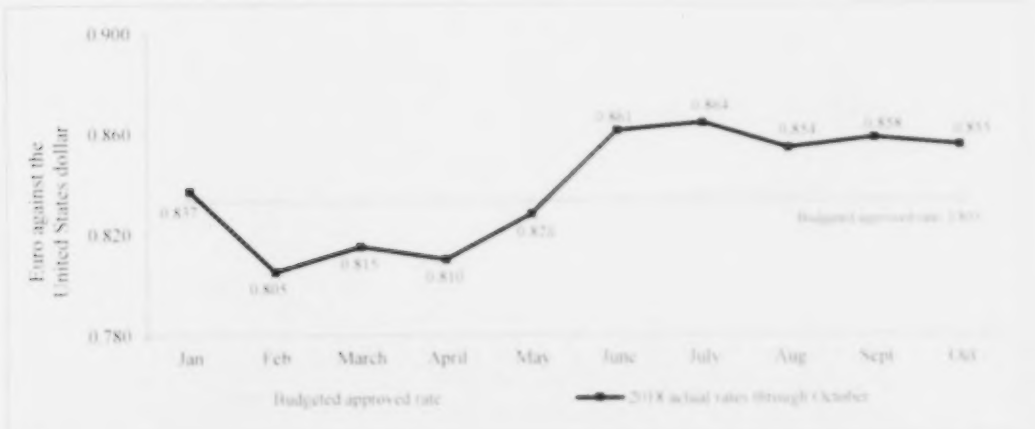
Figure I
Performance of the Swiss franc against the United States dollar, 2018



21. With respect to the euro, the realized 2018 average is €0.838 to the dollar, compared with the assumption of €0.833 used in the initial appropriation, which resulted in lower requirements of $0.7 million. The amount is offset in part by $0.3 million relating to losses from forward purchases of the euro realized for the period from January to October 2018.

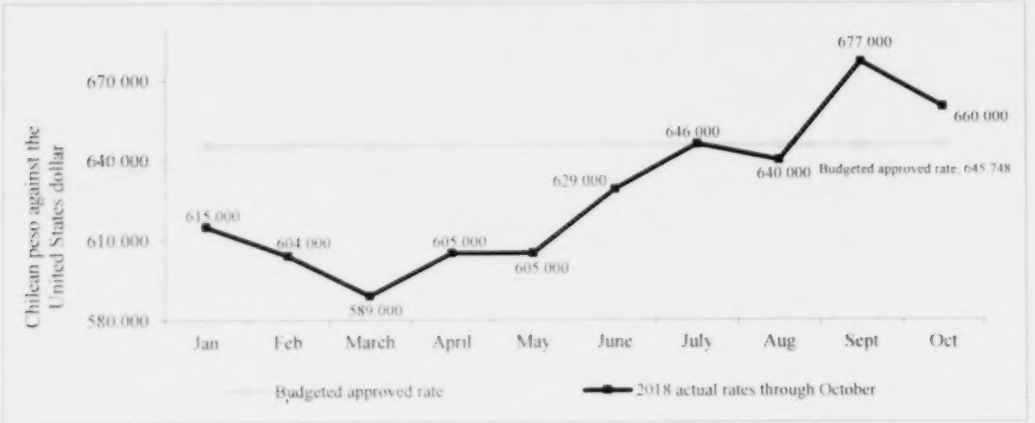
22. For 2019, the revised forward rate (contracted in October 2018) of €0.835 has been used in the present report compared to the rate of €0.833 applied in the initial appropriation, which has resulted in lower requirements of $0.3 million. Figure II reflects the experience of the euro during the period from January to October 2018.

Figure II
Performance of the euro against the United States dollar, 2018



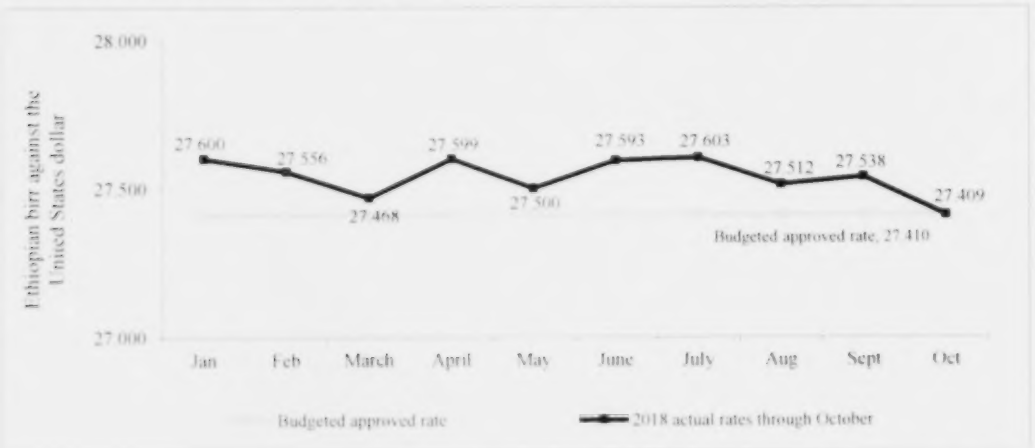
23. With respect to the Chilean peso, the realized 2018 average is Ch$632.500 to the dollar, compared with the assumption of Ch$645.748 used in the initial appropriation. For 2019, the revised forward rate of Ch$659.286 has been used in the present report. The adjustments have resulted in lower requirements of $4,700. Figure III reflects the experience of the Chilean peso during the period from January to October 2018.

Figure III
Performance of the Chilean peso against the United States dollar, 2018



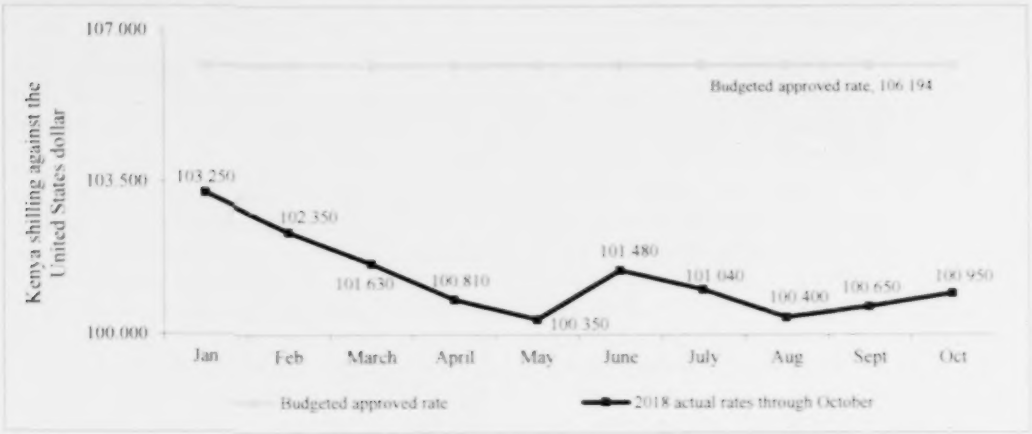
24. With respect to the Ethiopian birr, the realized 2018 average is Br 27.516 to the dollar, compared with the assumption of Br 27.410 used in the initial appropriation. For 2019, the rate of Br 27.409 has been used in the present report. The adjustments have resulted in lower requirements of $0.2 million. Figure IV reflects the experience of the Ethiopian birr during the period from January to October 2018.

Figure IV
Performance of the Ethiopian birr against the United States dollar, 2018



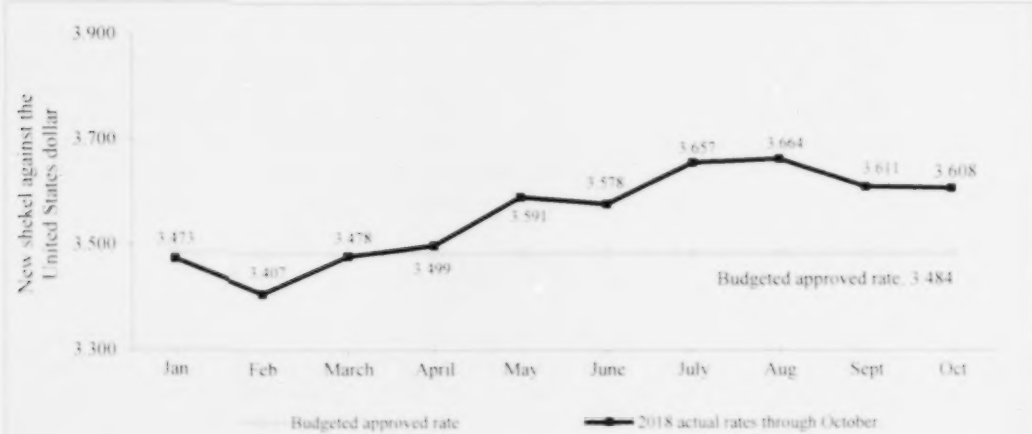
25. With respect to the Kenya shilling, the realized 2018 average is K Sh 101.234 to the dollar, compared with the assumption of K Sh 106.194 used in the initial appropriation. For 2019, the rate of K Sh 105.420 has been used in the present report. The adjustments have resulted in additional requirements of $3.1 million. Figure V reflects the experience of the Kenya shilling during the period from January to October 2018.

Figure V
Performance of the Kenya shilling against the United States dollar, 2018



26. With respect to the new Israeli shekel, the realized 2018 average is NIS 3.557 to the dollar, compared with the assumption of NIS 3.484 used in the initial appropriation. For 2019, the rate of NIS 3.540 has been used in the present report. The adjustments have resulted in lower requirements of $2.9 million. Figure VI reflects the experience of the new Israeli shekel during the period from January to October 2018.

Figure VI
Performance of the Israeli new shekel against the United States dollar, 2018



27. Details regarding operational rates at all duty stations are included in schedules 1 and 3. The schedules provide the actual operational rates through October 2018, the rate used in the initial appropriation and the rate used in the present report.

D. Experience of forward purchasing for the current biennium

28. The General Assembly, by its resolution 67/246, authorized the Secretary-General to utilize forward purchasing to protect the United Nations against exchange

rate fluctuations, taking into account the findings presented in the second performance report of the Secretary-General on the programme budget for the biennium 2010–2011 (A/66/578 and A/66/578/Corr.1) and keeping the transaction costs as low as possible.

29. The forward purchasing of foreign currency is a financial instrument that provides budgetary certainty to entities which enter into this type of contract, as it predefines the price of foreign currency to be purchased in the future. These financial instruments entail minimal transactional costs.

30. Under the forward contract for 2018, the United Nations purchased 325 million Swiss francs and 48 million euros at a predefined rate of exchange which, with the strengthening of the United States dollar against the Swiss franc and the euro in 2018 (see figures I and II above), resulted in a loss between the contracted forward rates and the United Nations operational rates of exchange. That practice resulted in total losses from forward purchases of Swiss francs and euros in the amount of $0.8 million ($0.5 million for the Swiss franc and $0.3 million for the euro) for the period from January to October 2018, which offset in part the lower requirements of $1.9 million ($1.2 million for the Swiss franc and $0.7 million for the euro) experienced in 2018.

31. For 2019, the United Nations entered into a forward contract in October 2018 to purchase 397.8 million Swiss francs and 59 million euros at the predefined rates of SwF 0.947 and €0.835 beginning in January 2019 and every month thereafter through December 2019. The outcome of the 2019 experience between the contracted exchange rates and the actual United Nations operational rates, including for November and December 2018, will be reported in the context of the second performance report.

32. As reflected in the Secretary-General's second performance report for the biennium 2016–2017 (A/72/606), in the five-year period during which the United Nations entered into forward contracts (2013 to 2017), the forward purchases provided more certainty, as the price to be paid in future purchasing of currency was known in advance. The result of the exercise since 2013 reflected a net positive difference of $4.6 million in 2013, $6.6 million in the biennium 2014–2015 and $1.9 million in the biennium 2016–2017 and a net loss of $0.8 million for the period from January to October 2018. The experience thus far indicates that the markets are always fluid and no two-year periods of foreign exchange rates are alike.

E. Inflation rates (increase: $12.6 million)

33. Schedules 1, 2 and 4 reflect revised inflation rates that affect post and non-post objects of expenditure. These are based on actual and projected post adjustment multipliers that have been promulgated by ICSC for the Professional and higher categories, actual versus budgeted cost-of-living adjustments based on prevailing market conditions for the General Service and related categories, and the latest available information on consumer price indices as derived from *The Economist*, including for non-post objects of expenditure.

34. The revised post adjustment multipliers used in the present report take into account actual multipliers promulgated by ICSC based on updated parameters for exchange rates and inflation, and updated cost-of-living information received subsequent to the approval of the programme budget for the biennium 2018–2019 in December 2017. Accordingly, the increase of $5.4 million for inflation relates to multiplier changes, including the consolidation of points from post adjustment to base salary for staff, and largely reflects upward adjustments of $2.7 million for New York, $1.3 million for Addis Ababa and $1.0 million for Gaza. Post adjustment multipliers

applicable to the Professional and higher categories for all duty stations are set out in schedule 2.

35. With regard to the General Service and related categories, the net decrease of $0.6 million reflects actual cost-of-living adjustments experienced in 2018 and projections for 2019 based on the latest available information. The decrease of $0.6 million largely reflects downward adjustments of $2.7 million for Geneva, owing mainly to the freeze of the salary scales for staff in Geneva, offset in part by an upward adjustment of $2.0 million in Addis Ababa.

36. The projections include the assumption of the continued freeze of the General Service salary scales for existing staff in New York.

37. The cost-of-living adjustments for staff in the General Service and related categories at all duty stations are set out in schedule 4.

38. With regard to non-post objects of expenditure, the increase of $5.9 million largely reflects increases of $1.2 million for New York, $1.6 million for Geneva, $2.6 million for Addis Ababa and $0.6 million for Beirut, owing to the increase in the inflation rate applicable to non-post objects of expenditure for the respective duty stations. The inflation rates proposed in the present report are set out in schedule 1.

39. The total net increase arising as a result of inflationary adjustments across both post and non-post objects of expenditure amounts to $12.6 million, including higher staff assessment requirements of $1.8 million, which would be offset by an equivalent amount under income section 1, Income from staff assessment.

F. Adjustments to standard costs for the biennium 2018–2019 (increase: $30.5 million)

40. Adjustments to standard costs reflect the net effect of changes in standard salary costs, common staff costs and staff assessment. Revisions to standard salary costs for 2018 are based on the actual payroll averages experienced thus far in the biennium, by category and level, at each duty station. For the present report, the monthly payroll averages from January to September 2018 have been analysed for each category and level compared with those used in the initial appropriation. Projections for 2019 are based on the trends experienced in 2018.

41. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Revisions to common staff costs are based on the analysis of actual common staff costs for all duty stations on the basis of the experience in the biennium 2016–2017 and the current period, from January to September 2018, compared with those assumed in the initial appropriation.

42. The net increase of $30.5 million reflects a reduction of $37.4 million under net base salary costs and increases of $65.9 million under common staff costs and $2.0 million under staff assessment.

43. The net reduction of $37.4 million under net base salary costs relates mainly to the implementation of the unified salary scale in January 2017 and the transfer of dependency allowances from net base salary to common staff costs.

44. The net increase of $65.9 million under common staff costs relates mainly to the transfer of dependency allowances from net base salary, as described in paragraph 43 above, and increased requirements under pensionable remuneration, related to the interim revised pensionable remuneration scales for staff in the Professional category in February 2017 and February 2018, and the education grant.

45. The increase of $2.0 million under staff assessment is offset by an equivalent amount under income section 1.

46. The adjustments relating to the estimated financial implications of $9.7 million resulting from the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2018 (see A/C.5/73/2) will be reported in the context of the second performance report.

G. Vacancy rates (increase: $83.0 million)

47. In its resolution 72/261, the General Assembly decided that vacancy rates of 11.5 per cent for Professional and 8.7 per cent for General Service posts for continuing posts, and a vacancy rate of 50.0 per cent for new posts for both categories, should be used a basis for the calculation of the budget for 2018–2019. The average realized vacancy rates from January to September 2018 are 8.6 per cent for Professional posts and 6.6 per cent for General Service posts. The application of the realized vacancy rate to the full biennium 2018–2019 would result in a net increase of $83.0 million.

48. With regard to field security staff funded under the gross jointly financed budget of the Department of Safety and Security, vacancy rates of 11.6 per cent for Professional posts and 13.2 per cent for General Service posts were used as a basis for the calculation of the budget. The realized vacancy rates are 15.2 per cent for Professional posts and 13.0 per cent for General Service posts. The adjustments to the 2018–2019 vacancy rates would result in a decrease of $4.6 million, to be shared with other United Nations system organizations under the cost-sharing formula agreed upon by the United Nations System Chief Executives Board for Coordination. On the basis of the current ratios, the United Nations share of the decrease would amount to $1.0 million, or 22.4 per cent of the decrease, which has been included in the amount of $83.0 million mentioned in paragraph 47 above.

H. Summary

49. On the basis of the elements described in the present report, the revised estimates for the biennium 2018–2019 amount to $5,556,228,900, reflecting an increase of $159,801,400, as detailed in table 2.

III. Income sections

Income section 1. Income from staff assessment

50. The changes described under the expenditure sections above and income section 3 below would result in an increase in income from staff assessment of $15.5 million.

Income section 2. General income

51. The decrease in general income of $5.5 million largely reflects the decrease in miscellaneous income and income from rental of premises. The decrease in miscellaneous income is attributable to the reduced refund by the United Nations Office for Project Services (UNOPS) for a portion of the cumulative indirect costs paid by the Secretariat for services provided by UNOPS. While the original estimate was $4.4 million ($2.2 million each for 2018 and 2019), as recommended by the Advisory Committee on Administrative and Budgetary Questions on the basis of information provided by UNOPS, the refund attributable to the regular budget is

estimated at $0.26 million ($0.13 million each for 2018 and 2019). The decrease in income from rental of premises is attributable mainly to a lower rental rate at the United Nations Office at Nairobi and the relocation of several entities in Somalia to Mogadishu.

Income section 3. Services to the public

52. The decrease of $7.5 million in net income under services to the public results from the downward revision in estimated revenues in the amount of $6.2 million and an estimated increase in expenditures in the amount of $1.3 million. The decrease in the estimated level of revenues ($6.2 million) is attributable primarily to lower-than-anticipated revenues from: (a) sales of philatelic items both at Headquarters and Vienna; (b) sales of publications; and (c) bookings of guided tours at Headquarters.

53. Any further changes to the level of revenues and expenditures during the remainder of the biennium 2018–2019 will be taken into account and reported in the context of the second performance report in accordance with existing practice.

Summary

54. The revised estimates for income for the biennium 2018–2019, based on the elements described above, would be $554.9 million, as summarized in table 4 below.

Table 4
Income estimates
(Thousands of United States dollars)

Budget section	*Income estimate*[a]	*Projected change*	*Revised estimates*
Income section 1	498 969.9	15 549.0	514 518.9
Income section 2	49 171.7	(5 497.5)	43 674.2
Income section 3	4 170.2	(7 459.6)	(3 289.4)
Total	**552 311.8**	**2 591.9**	**554 903.7**

[a] Resolutions 72/262 B and 72/263 A–C.

IV. Proposal to adjust the level of the Working Capital Fund and replenish the Special Account

55. The Working Capital Fund was established in 1946 to provide the advances necessary to finance appropriations, pending the receipt of contributions, and to finance unforeseen and extraordinary expenses pending appropriation action by the General Assembly. Each biennium, the Assembly adopts a resolution by which the Fund is re-established at a prescribed level. Member State advances to the Fund are based on the size of the Fund and their rates of assessment in the first year of the biennium.

56. In 1946, the Fund was established at $20 million, representing about 30 weeks of expenditure. The Fund was last increased to $150 million, effective 1 January 2007, representing about four weeks of expenditure, or 7.9 per cent of the budget for 2007 (see resolution 60/283, sect. IV, para. 4). For the current biennium, the level of the Fund corresponds to just three weeks, or 5.6 per cent, of regular budget expenditure. As a comparison, in the Secretariat the guideline for general trust funds establishes that 15 per cent of the expected annual expenditures of each project must be maintained in cash, which represents 7.8 weeks of operating reserves.

57. In his reform proposals, the Secretary-General requested that the level of the Fund be increased to $350 million, for sound financial management and to ensure that the Organization could meet its financial obligations in a timely manner (see A/72/492/Add.1, para. 73 (h)). In this connection, the Advisory Committee on Administrative and Budgetary Questions considered that, overall, the existing mechanisms for managing cash flow and liquidity within the United Nations did not merit change at that time. The Committee therefore recommended against the proposal to increase the level of the Working Capital Fund and indicated that it trusted that the Secretary-General, as chief administrative officer of the Organization, would continue his efforts to encourage Member States to pay their assessed contributions to the Organization in full, on time and without conditions (see A/72/7/Add.24, para. 70). In its resolution 72/266 A, the General Assembly recalled paragraph 70 of the report of the Committee and decided not to increase the level of the Working Capital Fund.

58. Assessments for the regular budget are issued at the start of every year, and Member States are required to pay their contributions in full within 30 days of receipt of the request for assessments. Typically, contributions are received early in the year and are normally sufficient to cover payments for a significant portion of the year. Cash shortages, however, have tended to occur during the latter part of the year, given the larger amounts of the differences between the budgets and the expenditures, as explained in paragraph 60 below. These shortages have gradually begun to occur earlier in the year, resulting in greater shortages in subsequent months.

59. The Working Capital Fund covers the time lag between appropriation (including commitment authority) and assessment, and between assessment and receipt of contributions. It also provides for advances necessary to finance unforeseen and extraordinary expenses pending appropriation action by the General Assembly.

60. Commitments relating to unforeseen and extraordinary expenses, and additional appropriations approved during the year, are only assessed at the start of the following year. Similarly, differences between budgets and expenditures, owing to: (a) currency fluctuations or inflation; (b) variance of actual salary costs compared to standard salary costs; and (c) vacancy rates, are approved by the General Assembly on the basis of performance reports and assessed only in the next annual cycle. These expenditures occur throughout the financial period and are additional to the amounts assessed at the start of the period. The Organization therefore has to draw from the Working Capital Fund to meet the difference between the amounts assessed and the actual expenditure. Unfortunately, the level of the Fund has not kept pace with the growth in the overall level of the budget or the actual expenditure of the Organization.

61. Historically, the amounts appropriated and assessed following the first and second performance reports have been higher in recent years. Table 5 shows the trend of the initial approved budget and the final approved budget, indicating the increasing lag between budgets and assessments.

Table 5
Historical information on approved budgets per biennium, 1990–1991 to 2018–2019

(Millions of United States dollars)

Biennium	*Initial appropriation*	*Adjustments in first year*	*Adjustments in second year*	*Final appropriation*
1990–1991	1 974.6	159.5	33.9	2 168.0
1992–1993	2 402.6	65.5	(56.7)	2 411.4
1994–1995	2 580.2	28.1	24.1	2 632.4
1996–1997	2 608.3	(5.0)	(61.2)	2 542.1
1998–1999	2 532.3	(5.6)	(38.4)	2 488.3
2000–2001	2 535.7	(2.6)	28.1	2 561.2
2002–2003	2 625.2	265.6	76.9	2 967.7
2004–2005	3 160.9	447.3	47.6	3 655.8
2006–2007	3 798.9	375.0	19.9	4 193.8
2008–2009	4 171.4	693.7	(65.2)	4 799.9
2010–2011	5 156.0	211.2	49.2	5 416.4
2012–2013	5 152.3	243.3	169.5	5 565.1
2014–2015	5 530.3	123.5	154.8	5 808.6
2016–2017	5 401.8	212.3	68.7	5 682.8
2018–2019	5 396.9	tbd	tbd	tbd

Abbreviation: tbd, to be determined.

62. The Working Capital Fund also covers cash requirements pending the receipt of contributions after assessments have been issued. Owing to the pattern of payments based on the timing of assessments and the fiscal years of Member States, larger amounts of contributions are received at the beginning of the year and then towards the end of the year. Consequently, the third quarter has often proven to be the most difficult period for liquidity relative to payment needs. The level of outstanding contributions from June to September has gradually increased since 2010, as shown in table 6.

Table 6
Outstanding contributions from June to September, 2010–2018

(Millions of United States dollars)

	2010	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*
June	827	964	989	1 022	1 153	1 378	1 344	1 210	1 441
July	799	952	977	963	1 135	1 233	1 343	1 207	1 251
August	797	918	898	953	1 123	1 231	1 325	1 167	1 243
September	787	869	855	945	1 075	1 053	1 189	1 095	1 088

63. Regular budget cash deficits are met by borrowing from the Working Capital Fund. When the Working Capital Fund balance is exhausted, the deficit is met by borrowing from the United Nations Special Account that was established pursuant to General Assembly resolution 2053 A (XX) to record the results of the Secretary-General's appeal to the Governments of all Member States to make voluntary contributions so that the financial difficulties of the Organization might be solved and

the future might be faced with renewed hope and confidence. In its resolution 3049 A (XXVII), the Assembly requested the Secretary-General to establish a special account into which voluntary contributions might be paid and used for the purpose of clearing up the past financial difficulties of the United Nations and especially for resolving the short-term deficit of the Organization referred to in the report of the Special Committee on the Financial Situation of the United Nations (A/8729), and to merge into that account the United Nations Special Account referred to above.

64. Since October 2015, the Organization has been borrowing frequently from the Special Account, as the Working Capital Fund has been exhausted repeatedly. Combined borrowings from the Working Capital Fund and the Special Account have gone as high as $323 million in October 2015, $290 million in August 2016, $337 million in September 2016, $229 million in September 2017, $365 million in September 2018 and $488 million in October 2018. The year 2018 has presented the most challenging experience in terms of cash deficits for the regular budget; the Working Capital Fund and the Special Account have not been enough to finance the regular budget expenses for the whole month of October 2018.

65. In order to avoid disruption to the activities of the Organization and given the continued deteriorating experience in the availability of adequate cash reserves for the Organization to meet its financial obligations in a timely manner, the Secretary-General is resubmitting his earlier proposal that the Working Capital Fund be established at a level of at least $350 million, representing approximately seven weeks of expenditure based on the level of the budget for the biennium 2018–2019. This is necessary, on the basis of the most recent experience, to mitigate the risk that the Organization is constrained in programme delivery owing to inability to meet its financial obligations.

66. The Secretary-General is also requesting to start replenishing a portion of the amounts transferred from the Special Account in recent bienniums to cover expenses of the General Fund of the regular budget. It is recalled that, in December 2013, the General Assembly authorized the transfer of $26.6 million from the Special Account to the General Fund to finance the final appropriation for the regular budget for the biennium 2012–2013 (resolution 68/245 A). Subsequently, in April 2015, the Assembly authorized the transfer of $36.6 million from the Special Account to the General Fund to finance the final shortfall of the capital master plan project (resolution 69/274 A). The transfer of those two amounts to the General Fund had a significant impact on the level available in the Special Account to complement the Working Capital Fund in addressing regular budget liquidity problems. Accordingly, the Secretary-General is requesting the Assembly to authorize the return of a portion of the amount previously transferred, through the transfer of the unencumbered balance for the biennium 2016–2017 of $28.6 million to the Special Account. The Special Account is currently at a level of $203.0 million, and with the return of $28.6 million, would be funded at a level of $231.6 million.

67. A summary of the evolution of the Working Capital Fund and the Special Account is provided in table 7.

Table 7
Evolution of the Working Capital Fund and the Special Account
(Millions of United States dollars)

	1946	*1963*	*1982–1983*	*2006–2007*	*2016–2017*	*2018–2019*	*2018–2019 (proposed)*
Budget level	35.0	94.0	1 506.0	3 799.9	5 682.8	5 396.4	5 396.4
Annual portion	35.0	94.0	753.0	1 899.5	2 841.4	2 698.2	2 698.2
Working Capital Fund level	20.0	40.0	100.0	100.0	150.0	150.0	350.0
Working Capital Fund/annual budget (percentage)	57.1	42.6	13.3	5.3	5.3	5.6	13.0
Coverage (weeks)	29.7	22.1	6.9	2.7	2.8	2.9	6.7
Special Account level	–	–	79.8	236.7	200.7	203.0	231.6
Special Account/annual budget (percentage)	–	–	10.6	12.5	7.1	7.5	8.6
Coverage (weeks)	–	–	5.5	6.5	3.7	3.9	4.5
Working Capital Fund + Special Account	20.0	40.0	179.8	336.7	350.7	353.0	581.7
(Working Capital Fund + Special Account)/annual budget (percentage)	57.1	42.6	23.9	17.7	12.3	13.1	21.6
Coverage (weeks)	29.7	22.1	12.4	9.2	6.4	6.8	11.2

V. Recosting arrangements for the International Trade Centre

68. The International Trade Centre (ITC) is the joint technical cooperation agency of the United Nations and the World Trade Organization (WTO). The General Assembly, in section I of its resolution 59/276, endorsed the revised administrative arrangements for ITC as set out in the report of the Secretary-General (A/59/405), by which the regular budget of ITC is, inter alia, calculated in Swiss francs and financed in equal parts by the United Nations and WTO. In line with the revised administrative arrangements, budgetary information is also provided simultaneously to the governing bodies of both parent organizations. ITC is the only United Nations entity with such a unique budget structure.

69. The United Nations contribution to the ITC budget is a grant denominated in Swiss francs. As the appropriation is approved in United States dollars, the amount required may vary depending on exchange rate movements and the inflation parameters used for recosting. WTO has requested an arrangement whereby, once the ITC budget is approved by the WTO General Council and the General Assembly, further adjustments to the ITC budget (in Swiss francs) during the period are synchronized with the budgeting processes of both parent organizations.

70. In his report entitled "Revised estimates: effect of changes in rates of exchange and inflation" (A/72/646), the Secretary-General proposed a revised recosting arrangement for the United Nations share of the ITC regular budget, which would preserve the exchange rate parameter but exclude the inflation parameter from all recosting exercises, while maintaining the level of the budget in Swiss francs. However, the Advisory Committee on Administrative and Budgetary Questions noted that the change to the recosting methodology was not explicitly presented (see A/72/7/Add.36).

71. In order to ensure appropriate synchronization with the budgeting processes of both parent organizations, it is proposed that the processes outlined in table 8 be followed.

Table 8
International Trade Centre recosting processes

ITC budget (Swiss francs)	*United Nations programme budget, section 13 (United States dollars)*
The proposed budget will continue to be updated to take into account revised parameters	Section 13 of the proposed programme budget will be recosted to take into account revised parameters to fund 50 per cent of the ITC budget (exchange rate and inflation) The proposed programme budget will be recosted prior to final approval, including section 13, which will be recosted at this stage only for exchange rate variation The final expenditures for section 13 will be reported in the performance report

72. Under the arrangements proposed in table 8, the final requirements set out in the performance report will be presented in conformity with other budget sections. As is the case for other budget sections, the final requirements will be driven by the impact of revised parameters and expenditure experience (which for ITC will be based on the underlying Swiss franc budget). This arrangement would result in a stable ITC budget in Swiss francs during the period, while the United States dollar amount in the United Nations programme budget would vary in accordance with exchange rate movements.

VI. Contingency fund

73. It will be recalled that the Secretary-General, in his report entitled "Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budget process" (A/72/492/Add.1), considered that an annual budget cycle would eliminate the need for a separate report on the budget outline. As the contingency fund is expressed as a percentage of the programme budget outline level approved by the General Assembly, the Secretary-General further proposed to submit an indication of the size of the contingency fund as a percentage of the overall level of resources of the proposed annual budget. For example, the contingency fund related to the annual budget for 2021 would be proposed in the annual budget report for 2020 and would be approved by the Fifth Committee at the time of the approval of the annual budget for 2020. The level of the contingency fund related to the annual budget for 2021 would be expressed as a percentage of the approved annual budget for 2020.

74. For the 2020 budget period, the Secretary-General proposed, as a one-time measure, that the contingency fund be proposed and approved in the context of the first performance report for the biennium 2018–2019 and expressed as a percentage of half of the approved budget for 2018–2019 (or the equivalent of a one-year period). This would ensure that the level of the contingency fund would continue to be determined in advance of the budget period that it covers. Other provisions governing the use of the contingency fund contained in General Assembly resolutions 41/213 and 42/211 would remain unchanged. In its resolution 72/266 A, the Assembly approved the Secretary-General's proposal.

75. The size of the contingency fund was set at 0.75 per cent of the overall level of resources for the first budget outline and all subsequent outlines. It is recommended

that the level be maintained at 0.75 per cent of half the amount of the revised appropriation for the biennium 2018–2019.

VII. Action requested of the General Assembly

76. **The General Assembly is requested:**

(a) **To revise the appropriation for the biennium 2018–2019 to the amount of $5,556.2 million (reflecting an increase of $159.8 million), as set out in paragraph 49 above, and to approve the revised estimates for income in the amount of $554.9 million (reflecting an increase of $2.6 million), as set out in paragraph 54 above;**

(b) **To increase the Working Capital Fund to $350 million effective from 1 January 2019;**

(c) **To approve the transfer of the unencumbered balance of $28.57 million for the biennium 2016–2017 to the Special Account to complement the Working Capital Fund in addressing regular budget liquidity problems;**

(d) **To approve the revised recosting processes for the International Trade Centre set out in paragraph 71 and table 8 above;**

(e) **To approve, as a one-time measure, the level of contingency fund for 2020, to be set at 0.75 per cent of half the amount of the revised appropriation for the biennium 2018–2019.**

Schedule 1

Rates of exchange relative to the United States dollar and inflation included in the initial appropriation for the biennium 2018-2019 and in the present report, by main duty station

	Rates of exchange			*Rates of inflation applicable to non-post objects of expenditure (percentage)*			
		Performance report		*Initial appropriation*		*Present report*	
Main duty station (currency)	*Initial appropriation*	*2018[a]*	*2019[b]*	*2018*	*2019*	*2018*	*2019*
Vienna (euro)	0.833	0.838	0.835	1.8	2.0	2.0	1.9
Santiago (Chilean peso)	645.748	632.500	659.286	2.1	3.1	2.5	3.2
Addis Ababa (Ethiopian birr)	27.410	27.516	27.409	9.5	6.9	13.2	8.0
UNMOGIP (rupee)	65.390	68.156	75.210	4.4	4.8	4.7	4.9
Beirut (Lebanese pound)	1 510.500	1 511.852	1 510.250	4.0	3.4	6.6	4.7
Gaza/UNRWA/UNTSO (shekel)	3.484	3.565	3.540	1.3	1.7	1.1	1.9
Nairobi (Kenya shilling)	106.194	101.234	105.420	6.5	6.2	5.1	6.2
Mexico City (Mexican peso)	19.000	18.995	19.610	3.8	3.9	4.6	3.9
The Hague (euro)	0.833	0.838	0.835	1.6	1.8	1.7	2.3
Bangkok (Thai baht)	32.460	32.239	32.100	1.5	1.7	1.2	1.6
Port of Spain (Trinidad and Tobago dollar)	6.771	6.805	6.792	2.5	4.2	1.2	1.8
New York (United States dollar)	1.000	1.000	1.000	2.2	2.3	2.6	2.4
Geneva (Swiss franc)	0.969	0.971	0.947	0.6	1.1	1.1	1.3
United Nations information centres[c]	1.000	1.000	1.000	2.2	2.3	2.6	2.4

Abbreviations: UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNTSO, United Nations Truce Supervision Organization.

[a] Average of United Nations operational rates of exchange, with actual rates to October 2018 used for all duty stations except for Vienna, The Hague and Geneva, for which the approved forward rate for 2018 was applied to November and December 2018.

[b] Based on revised forward rates for 2019, except for Addis Ababa, Beirut and Port of Spain, for which the October 2018 rate is used.

[c] Combined effect of inflation and exchange rate changes.

Schedule 2

Post adjustment multipliers for 2018 and 2019 applicable to staff in the Professional and higher categories

	Initial appropriation		*Post performance report*		*Monthly multipliers for 2018*[a]											
Duty station	*2018*	*2019*	*2018*[a]	*2019*[a]	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*June*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*
Vienna	48.9	49.9	48.1	48.8	48.3	53.6	51.8	52.7	49.7	46.5	44.1	42.5	45.0	45.5	48.9	48.9
Santiago	32.9	35.1	36.4	32.6	32.3	32.3	39.9	39.9	39.9	39.9	35.9	35.9	35.9	35.9	34.6	34.6
Addis Ababa	39.1	44.4	40.5	44.3	36.4	36.4	39.3	39.3	39.3	39.3	41.0	41.0	43.1	43.1	43.9	43.9
UNMOGIP	29.1	32.2	32.2	28.2	28.8	34.6	34.1	34.1	34.1	34.1	31.7	31.7	31.7	31.7	30.1	30.1
Beirut	48.3	50.8	49.1	47.8	49.1	49.1	49.1	49.1	49.1	49.1	49.1	49.1	49.1	49.1	49.3	49.3
Gaza/UNRWA/ UNTSO	55.0	55.1	54.5	51.9	55.2	55.2	55.9	55.9	55.9	55.9	53.3	53.3	53.3	53.3	53.4	53.4
Nairobi	31.3	35.6	34.6	34.8	30.2	30.2	33.5	33.5	33.5	33.5	36.6	36.6	36.6	36.6	36.9	36.9
Mexico City	31.8	34.5	38.7	39.9	31.9	31.9	33.5	43.0	43.0	43.0	38.2	38.2	38.2	38.2	42.4	42.4
The Hague	41.0	41.7	40.3	39.9	40.4	45.4	43.7	44.5	41.7	38.8	36.5	35.0	37.3	37.8	41.0	41.0
Bangkok	37.7	39.4	39.0	39.0	36.2	36.2	40.9	40.9	40.9	40.9	38.1	38.1	38.1	38.1	39.9	39.9
Port of Spain	41.9	44.7	42.4	41.6	41.6	41.6	42.6	42.6	42.6	42.6	42.1	42.1	42.1	42.1	43.4	43.4
New York	66.2	69.8	66.7	67.4	64.5	66.9	66.9	66.9	66.9	66.9	66.9	66.9	66.9	66.9	66.9	66.9
Security field offices	47.7	47.7	43.7	45.1	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7	43.7
Geneva	75.5	75.5	75.1	75.8	74.0	81.6	80.5	77.8	72.0	72.8	70.9	71.4	75.1	74.6	75.4	75.4
United Nations information centres	54.0	54.0	50.4	51.8	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4

Abbreviations: UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNTSO, United Nations Truce Supervision Organization.

[a] Average of actual post adjustment multipliers to October and projected multipliers for November and December.

[b] The rates for 2019 include the application of the consolidation of points from post adjustment to base salary for staff by the International Civil Service Commission, which is used to implement increases in the base salary scale in line with salary increases in the United States civil service. It follows the principle of no gain/no loss, that is, post adjustment multipliers are decreased at the same rate as the base salary is increased so that there is no impact on net remuneration.

Schedule 3

Rates of exchange against the United States dollar for 2018, by duty station

	Initial appropriation	*Performance report*		*Variance (percentage)*		*Monthly operational rates of exchange*[a]											
Duty station	*2018–2019*	*2018*[b]	*2019*[c]	*2018*	*2019*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*June*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*
Vienna	0.833	0.838	0.835	(0.60)	(0.24)	0.837	0.805	0.815	0.810	0.828	0.861	0.864	0.854	0.858	0.855	0.833	0.833
Santiago	645.748	632.500	659.286	2.09	(2.05)	615.000	604.000	589.000	605.000	605.000	629.000	646.000	640.000	677.000	660.000	660.000	660.000
Addis Ababa	27.410	27.516	27.409	(0.39)	–	27.600	27.556	27.468	27.599	27.500	27.593	27.603	27.512	27.538	27.409	27.409	27.409
UNMOGIP	65.390	68.156	75.210	(4.06)	(13.06)	64.080	63.610	64.890	65.180	66.660	67.440	68.790	68.680	70.740	72.600	72.600	72.600
Beirut	1 510.500	1 511.852	1 510.250	(0.09)	0.02	1 513.500	1 510.270	1 513.500	1 513.950	1 513.950	1 512.050	1 513.350	1 510.450	1 510.450	1 510.250	1 510.250	1 510.250
Gaza/UNRWA																	
UNTSO	3.484	3.565	3.540	(2.27)	(1.58)	3.473	3.407	3.478	3.499	3.591	3.578	3.657	3.664	3.611	3.608	3.608	3.608
Nairobi	106.194	101.234	105.420	4.90	0.73	103.250	102.350	101.630	100.810	100.350	101.480	101.040	100.400	100.650	100.950	100.950	100.950
Mexico City	19.000	18.995	19.610	0.03	(3.11)	19.680	18.670	18.730	18.340	18.690	19.740	19.980	18.530	19.150	18.810	18.810	18.810
The Hague	0.833	0.838	0.835	(0.60)	(0.24)	0.837	0.805	0.815	0.810	0.828	0.861	0.864	0.854	0.858	0.855	0.833	0.833
Bangkok	32.460	32.239	32.100	0.69	1.12	32.620	31.420	31.410	31.270	31.550	32.070	33.170	33.290	32.750	32.440	32.440	32.440
Port of Spain	6.771	6.805	6.792	(0.50)	(0.31)	6.781	6.774	6.770	6.826	6.845	6.877	6.908	6.740	6.765	6.792	6.792	6.792
Geneva	0.969	0.971	0.947	(0.21)	2.32	0.978	0.933	0.939	0.955	0.990	0.988	0.997	0.991	0.971	0.974	0.969	0.969

Abbreviations: UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNTSO, United Nations Truce Supervision Organization.

[a] Average of United Nations operational rates of exchange, with actual rates to October 2018 used for all duty stations except for Vienna, The Hague and Geneva, for which the approved forward rate for 2018 was applied to November and December 2018.

[b] Based on revised forward rates for 2019, except for Addis Ababa, Beirut and Port of Spain, for which the October 2018 rate is used.

Schedule 4

Cost-of-living adjustments: General Service and related categories

(Percentage)

	Initial appropriation		*Adjusted rates used in performance report*	
Cost station	*2018*	*2019*	*2018*	*2019*
Vienna	1.8	2.0	1.4	1.9
Santiago	2.1	3.1	3.0	3.2
Addis Ababa	9.5	6.9	18.9	8.0
UNMOGIP	4.4	4.8	3.5	4.9
Beirut	4.0	3.4	1.9	4.7
Gaza/UNRWA/UNTSO	1.3	1.7	–	1.9
Nairobi	6.5	6.2	4.1	6.2
Mexico City	3.8	3.9	–	3.9
The Hague	1.6	1.8	–	2.3
Bangkok	1.5	1.7	–	1.6
Port of Spain	2.5	4.2	1.9	1.8
New York	–	–	–	–
Security field offices	–	–	–	–
Geneva	0.6	1.1	–	–
United Nations information centres	–	–	–	–

Abbreviations: UNMOGIP, United Nations Military Observer Group in India and Pakistan; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNTSO, United Nations Truce Supervision Organization.

Annex I

Projected changes in the budget estimates for the biennium 2018–2019

A. By budget section and main determining factor

(Thousands of United States dollars)

		Projected changes								
Expenditure section	*2018–2019 appropriation*[a]	*Unforeseen and extraordinary expenses*	*Decisions of policymaking organs*	*Exchange rate*	*Inflation*	*Adjustment to standards*	*Vacancy*	*Total*	*Revised estimates*	*Percentage variance*
1. Overall policymaking, direction and coordination	119 854.0	–	–	238.6	157.7	473.8	2 139.3	3 009.4	122 863.4	2.5
2. General Assembly and Economic and Social Council affairs and conference management	625 634.9	–	–	2 896.5	405.4	4 474.9	14 560.8	22 337.6	647 972.5	3.6
3. Political affairs	1 230 981.5	3 586.8	–	(355.3)	407.9	(149.3)	3 256.3	6 746.4	1 237 727.9	0.5
4. Disarmament	24 332.8	–	–	47.2	21.9	22.3	546.7	638.1	24 970.9	2.6
5. Peacekeeping operations	101 620.4	1 380.0	–	(2 527.8)	809.3	813.9	1 721.7	2 197.1	103 817.5	2.2
6. Peaceful uses of outer space	7 616.2	–	–	(13.3)	35.4	48.4	202.8	273.3	7 889.5	3.6
7. International Court of Justice	47 792.5	410.0	–	(71.9)	274.7	1 051.9	728.2	2 392.9	50 185.4	5.0
8. Legal affairs	50 311.2	–	10 300.0	(11.9)	160.1	104.9	1 269.9	11 823.0	62 134.2	23.5
9. Economic and social affairs	159 560.4	–	–	–	455.4	188.6	4 376.8	5 020.8	164 581.2	3.1
10. Least developed countries, landlocked developing countries and small island developing States	10 736.4	–	–	–	29.9	(6.1)	296.8	320.6	11 057.0	3.0
11. United Nations support for the New Partnership for Africa's Development	16 116.4	–	–	(0.2)	80.4	16.5	428.7	525.4	16 641.8	3.3
12. Trade and development	130 694.3	–	–	1 495.0	(605.8)	2 178.7	3 726.0	6 793.9	137 488.2	5.2
13. International Trade Centre	37 354.0	–	–	403.1	233.8	–	–	636.9	37 990.9	1.7
14. Environment	39 603.7	–	–	631.2	(162.4)	(171.8)	1 179.4	1 476.4	41 080.1	3.7
15. Human settlements	20 971.9	–	–	507.1	(202.9)	926.5	602.4	1 833.1	22 805.0	8.7
16. International drug control, crime and terrorism prevention and criminal justice	39 688.2	–	–	(50.3)	203.2	399.7	1 087.1	1 639.7	41 327.9	4.1
17. UN-Women	16 304.0	–	–	–	43.3	(25.7)	437.8	455.4	16 759.4	2.8
18. Economic and social development in Africa	157 539.1	–	–	(147.3)	4 792.4	1 614.0	3 155.0	9 414.1	166 953.2	6.0
19. Economic and social development in Asia and the Pacific	99 570.4	–	–	919.8	(282.0)	2 719.4	2 646.1	6 003.3	105 573.7	6.0

Expenditure section	2018–2019 appropriation[a]	Projected changes: Unforeseen and extraordinary expenses	Projected changes: Decisions of policymaking organs	Projected changes: Exchange rate	Projected changes: Inflation	Projected changes: Adjustment to standards	Projected changes: Vacancy	Projected changes: Total	Revised estimates	Percentage variance
20. Economic development in Europe	61 723.6	–	–	716.0	(298.0)	683.4	1 813.1	2 914.5	64 638.1	4.7
21. Economic and social development in Latin America and the Caribbean	112 450.2	–	–	(181.7)	1 575.6	1 388.4	2 776.7	5 559.0	118 009.2	4.9
22. Economic and social development in Western Asia	73 466.0	–	–	(25.0)	365.7	(932.0)	1 756.5	1 165.2	74 631.2	1.6
23. Regular programme of technical cooperation	65 808.9	–	–	138.4	622.0	–	–	760.4	66 569.3	1.2
24. Human rights	202 779.1	7 733.1	–	1 417.1	(271.2)	448.7	4 031.2	13 358.9	216 138.0	6.6
25. International protection, durable solutions and assistance to refugees	86 106.2	–	–	902.6	525.6	(2.6)	39.0	1 464.6	87 570.8	1.7
26. Palestine refugees	56 863.3	–	–	(1 130.9)	905.1	(2 549.2)	1 748.9	(1 026.1)	55 837.2	(1.8)
27. Humanitarian assistance	33 055.1	–	–	107.6	22.6	1.3	742.4	873.9	33 929.0	2.6
28. Public information	177 359.5	–	–	85.6	79.6	2 408.3	4 356.1	6 929.6	184 289.1	3.9
29A. (2018) Office of the Under-Secretary-General for Management[b]	9 707.9	–	–	–	14.8	35.0	205.2	255.0	9 962.9	2.6
29B. (2018) Office of Programme Planning, Budget and Accounts[b]	16 864.4	–	–	–	35.9	56.4	477.8	570.1	17 434.5	3.4
29C. (2018) Office of Human Resources Management[b]	31 657.2	–	–	2.3	28.3	81.1	569.5	681.2	32 338.4	2.2
29D. (2018) Office of Central Support Services[b]	74 465.3	–	–	–	91.6	500.4	729.0	1 321.0	75 786.3	1.8
29E. (2018) Office of Information and Communications Technology[b]	47 458.7	–	–	13.6	95.7	163.5	675.7	948.5	48 407.2	2.0
29F. Administration, Geneva	133 086.3	20.8	–	1 456.5	(412.8)	2 151.2	2 116.0	5 331.7	138 418.0	4.0
29G. Administration, Vienna	36 662.1	–	–	(126.9)	(2.5)	573.8	493.2	937.6	37 599.7	2.6
29H. Administration, Nairobi	29 835.4	–	–	764.0	(364.4)	1 027.0	637.4	2 064.0	31 899.4	6.9
29A. (2019) Department of Management Strategy, Policy and Compliance[c]	52 230.4	–	–	3.7	159.8	124.0	1 097.4	1 384.9	53 615.3	2.7
29B. (2019) Department of Operational Support[c]	89 215.5	–	–	–	312.9	531.9	927.7	1 772.5	90 988.0	2.0
29C. (2019) Office of Information and Communications Technology[c]	47 253.6	–	–	46.1	167.6	161.9	669.7	1 045.3	48 298.9	2.2
30. Internal oversight	39 972.0	–	–	102.5	58.0	81.0	1 085.2	1 326.7	41 298.7	3.3
31. Jointly financed administrative activities	12 339.2	–	–	47.2	7.8	(2.3)	43.3	96.0	12 435.2	0.8
32. Special expenses	131 902.1	–	–	176.9	302.9	–	–	479.8	132 381.9	0.4

Expenditure section	2018-2019 appropriation[a]	Projected changes: Unforeseen and extraordinary expenses	Decisions of policymaking organs	Exchange rate	Inflation	Adjustment to standards	Vacancy	Total	Revised estimates	Percentage variance
33. Construction, alteration, improvement and major maintenance	80 616.5	–	–	262.5	161.0	–	–	423.5	81 040.0	0.5
34. Safety and security	233 966.0	–	–	801.4	(257.0)	6 844.7	2 763.5	10 152.6	244 118.6	4.3
35. Development Account	28 398.8	–	–	–	–	–	–	–	28 398.8	–
36. Staff assessment	494 901.9	–	–	775.1	1 835.5	2 018.1	10 844.9	15 473.6	510 375.5	3.1
Total	**5 396 427.5**	**13 130.7**	**10 300.0**	**10 315.1**	**12 619.8**	**30 474.6**	**82 961.2**	**159 801.4**	**5 556 228.9**	**3.0**

[a] See General Assembly resolutions 72/262 C, 72/263 A–C and 72/266 B.
[b] Reflects the budget structure and resources approved for 2018.
[c] Reflects the newly approved budget structure and resources for 2019 (see General Assembly resolutions 72/266 B and 72/262 C and A/72/492/Add.2, table 1).

B. By duty station and main determining factor

(Thousands of United States dollars)

Duty station	2018-2019 appropriation	Projected changes: Unforeseen and extraordinary expenses	Decisions of policymaking organs	Exchange rate	Inflation	Adjustment to standards	Vacancy	Total	Revised estimates	Percentage variance
New York	2 990 319.2	3 586.8	10 300.0	–	5 164.9	2 421.9	36 986.9	58 460.5	3 048 779.7	2.0
Geneva	1 129 640.9	7 753.9	–	11 277.1	(2 438.2)	10 755.5	21 321.6	48 669.9	1 178 310.8	4.3
Vienna	185 534.8	–	–	(546.2)	889.3	1 572.3	2 795.0	4 710.4	190 245.2	2.5
Santiago	125 451.9	–	–	(4.7)	1 740.6	1 043.8	2 909.8	5 689.5	131 141.4	4.5
Addis Ababa	209 597.3	–	–	(172.2)	6 421.7	3 876.5	4 016.1	14 142.1	223 739.4	6.7
Beirut	113 789.9	–	–	(36.9)	630.3	(1 698.2)	2 513.8	1 409.0	115 198.9	1.2
Nairobi	134 175.2	–	–	3 161.7	(1 461.4)	4 432.3	3 258.0	9 390.6	143 565.8	7.0
Bangkok	157 307.3	–	–	1 265.3	(396.4)	3 733.0	3 736.9	8 338.8	165 646.1	5.3
Other[a]	350 611.0	1 790.0	–	(4 629.0)	2 069.0	4 337.5	5 423.1	8 990.6	359 601.6	2.6
Total	**5 396 427.5**	**13 130.7**	**10 300.0**	**10 315.1**	**12 619.8**	**30 474.6**	**82 961.2**	**159 801.4**	**5 556 228.9**	**3.0**

[a] Includes the United Nations Military Observer Group in India and Pakistan, the United Nations Truce Supervision Organization, Gaza, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, Mexico City, The Hague, Port of Spain, the United Nations information centres and the regular budget share of contributions to inter-agency security measures.

Annex II

Estimated increases or decreases in requirements for jointly financed activities and inter-organizational security measures (gross budget) for the biennium 2018–2019, by main determining factor

(Thousands of United States dollars)

		Projected changes								
	2018–2019 appropriation	*Unforeseen and extraordinary expenses*	*Decisions of policymaking organs*	*Exchange rate*	*Inflation*	*Adjustment to standards*	*Vacancy*	*Total*	*Revised estimates*	*Percentage variance*
Conference services, Vienna (gross budget)	62 254.5	–	–	(252.7)	150.8	937.0	302.3	1 137.4	63 391.9	1.8
International Civil Service Commission	18 764.3	–	–	–	57.4	36.3	63.6	157.3	18 921.6	0.8
Inter-organizational security measures	271 090.4	–	–	(74.6)	(1 343.1)	7 303.2	(4 114.7)	1 770.8	272 861.2	11.2
United Nations System Chief Executives Board for Coordination	6 276.8	–	–	30.0	(1.4)	22.9	22.6	74.1	6 350.9	2.5
Joint Inspection Unit	13 090.1	–	–	135.3	(44.9)	(80.2)	47.3	57.5	13 147.6	0.4
Total	**371 476.1**	**–**	**–**	**(162.0)**	**(1 181.2)**	**8 219.2**	**(3 678.9)**	**3 197.1**	**374 673.2**	**0.9**

Annex III

Expenditures incurred under the regular budget for the biennium 2018–2019 as at 31 October 2018

(Thousands of United States dollars)

Expenditure section	*2018–2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
1. Overall policymaking, direction and coordination					
Post	71 945.1	48.0	31 460.6	31 508.6	43.8
Non-post	47 908.9	3 940.8	17 209.2	21 150.0	44.1
Subtotal	**119 854.0**	**3 988.8**	**48 669.7**	**52 658.6**	**43.9**
2. General Assembly and Economic and Social Council affairs and conference management					
Post	477 881.3	370.8	203 115.5	203 486.3	42.6
Non-post	147 753.6	7 828.5	48 995.5	56 824.0	38.5
Subtotal	**625 634.9**	**8 199.4**	**252 110.9**	**260 310.3**	**41.6**
3. Political affairs					
Post	106 752.5	33.8	44 952.4	44 986.2	42.1
Non-post	1 124 229.0	55 245.6	466 962.9	522 208.5	46.5
Subtotal	**1 230 981.5**	**55 279.4**	**511 915.3**	**567 194.7**	**46.1**
4. Disarmament					
Post	17 635.1	117.1	7 926.0	8 043.1	45.6
Non-post	6 697.7	703.3	1 979.7	2 683.0	40.1
Subtotal	**24 332.8**	**820.4**	**9 905.7**	**10 726.1**	**44.1**
5. Peacekeeping operations					
Post	67 503.2	88.4	31 111.9	31 200.3	46.2
Non-post	34 117.2	2 283.6	12 486.0	14 769.6	43.3
Subtotal	**101 620.4**	**2 372.0**	**43 598.0**	**45 970.0**	**45.2**
6. Peaceful uses of outer space					
Post	6 216.8	–	2 735.2	2 735.2	44.0
Non-post	1 399.4	36.9	475.8	512.7	36.6
Subtotal	**7 616.2**	**36.9**	**3 211.0**	**3 247.9**	**42.6**
7. International Court of Justice					
Post	23 058.6	–	9 748.3	9 748.3	42.3
Non-post	24 733.9	–	9 276.5	9 276.5	37.5
Subtotal	**47 792.5**	**–**	**19 024.8**	**19 024.8**	**39.8**
8. Legal affairs					
Post	40 929.6	43.3	17 948.3	17 991.6	44.0
Non-post	9 381.6	118.7	14 086.1	14 204.8	151.4
Subtotal	**50 311.2**	**162.0**	**32 034.4**	**32 196.4**	**64.0**

Expenditure section	*2018–2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
9. Economic and social affairs					
Post	141 129.8	96.3	61 632.9	61 729.2	43.7
Non-post	18 430.6	563.7	5 692.1	6 255.8	33.9
Subtotal	**159 560.4**	**660.0**	**67 325.1**	**67 985.0**	**42.6**
10. Least developed countries, landlocked developing countries and small island developing States					
Post	9 356.5	5.1	4 156.9	4 162.0	44.5
Non-post	1 379.9	16.7	469.1	485.8	35.2
Subtotal	**10 736.4**	**21.8**	**4 626.0**	**4 647.8**	**43.3**
11. United Nations support for the New Partnership for Africa's Development					
Post	13 345.3	17.6	5 671.4	5 689.0	42.6
Non-post	2 771.1	129.7	743.5	873.1	31.5
Subtotal	**16 116.4**	**147.3**	**6 414.9**	**6 562.2**	**40.7**
12. Trade and development					
Post	119 094.5	78.9	53 248.1	53 327.0	44.8
Non-post	11 599.8	644.1	3 258.7	3 902.9	33.6
Subtotal	**130 694.3**	**723.0**	**56 506.8**	**57 229.9**	**43.8**
13. International Trade Centre					
Non-post	37 354.0	–	15 516.3	15 516.3	41.5
Subtotal	**37 354.0**	**–**	**15 516.3**	**15 516.3**	**41.5**
14. Environment					
Post	36 027.3	23.0	16 162.5	16 185.5	44.9
Non-post	3 576.4	352.0	519.8	871.8	24.4
Subtotal	**39 603.7**	**375.1**	**16 682.3**	**17 057.3**	**43.1**
15. Human settlements					
Post	17 867.5	21.4	8 618.5	8 639.9	48.4
Non-post	3 104.4	54.7	682.6	737.3	23.7
Subtotal	**20 971.9**	**76.1**	**9 301.1**	**9 377.2**	**44.7**
16. International drug control, crime and terrorism prevention and criminal justice					
Post	33 768.8	10.9	15 435.9	15 446.9	45.7
Non-post	5 919.4	483.1	1 715.1	2 198.2	37.1
Subtotal	**39 688.2**	**494.0**	**17 151.0**	**17 645.1**	**44.5**
17. UN-Women					
Post	14 959.8	–	6 105.2	6 105.2	40.8
Non-post	1 344.2	–	355.7	355.7	26.5
Subtotal	**16 304.0**	**–**	**6 460.9**	**6 460.9**	**39.6**

Expenditure section	*2018–2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
18. Economic and social development in Africa					
Post	97 919.4	177.8	40 315.5	40 493.2	41.4
Non-post	59 619.7	4 486.5	13 269.8	17 756.3	29.8
Subtotal	**157 539.1**	**4 664.3**	**53 585.3**	**58 249.6**	**37.0**
19. Economic and social development in Asia and the Pacific					
Post	85 243.7	78.2	38 440.6	38 518.8	45.2
Non-post	14 326.7	941.4	5 006.2	5 947.6	41.5
Subtotal	**99 570.4**	**1 019.6**	**43 446.8**	**44 466.4**	**44.7**
20. Economic development in Europe					
Post	58 062.4	15.3	27 202.3	27 217.6	46.9
Non-post	3 661.2	202.8	774.6	977.4	26.7
Subtotal	**61 723.6**	**218.1**	**27 976.9**	**28 195.0**	**45.7**
21. Economic and social development in Latin America and the Caribbean					
Post	92 222.4	74.8	41 118.1	41 192.9	44.7
Non-post	20 227.8	1 223.3	6 999.3	8 222.5	40.6
Subtotal	**112 450.2**	**1 298.1**	**48 117.4**	**49 415.4**	**43.9**
22. Economic and social development in Western Asia					
Post	60 541.6	4.0	24 957.6	24 961.6	41.2
Non-post	12 924.4	1 341.4	3 618.8	4 960.2	38.4
Subtotal	**73 466.0**	**1 345.4**	**28 576.4**	**29 921.8**	**40.7**
23. Regular programme of technical cooperation					
Post	–	–	68.6	68.6	
Non-post	65 808.9	2 659.8	21 806.8	24 466.6	37.2
Subtotal	**65 808.9**	**2 659.8**	**21 875.4**	**24 535.2**	**37.3**
24. Human rights					
Post	126 306.7	133.3	58 244.9	58 378.3	46.2
Non-post	76 472.4	5 191.2	34 698.9	39 890.1	52.2
Subtotal	**202 779.1**	**5 324.5**	**92 943.8**	**98 268.3**	**48.5**
25. International protection, durable solutions and assistance to refugees					
Post	1 177.5	–	477.3	477.3	40.5
Non-post	84 928.7	–	34 990.1	34 990.1	41.2
Subtotal	**86 106.2**	**–**	**35 467.4**	**35 467.4**	**41.2**
26. Palestine refugees					
Post	56 808.3	–	21 960.8	21 960.8	38.7
Non-post	55.0	–	–	–	–
Subtotal	**56 863.3**	**–**	**21 960.8**	**21 960.8**	**38.6**

Expenditure section	*2018-2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
27. Humanitarian assistance					
Post	23 338.2	4.1	10 067.9	10 072.0	43.2
Non-post	9 716.9	525.4	3 636.6	4 162.0	42.8
Subtotal	**33 055.1**	**529.4**	**13 704.5**	**14 233.9**	**43.1**
28. Public information					
Post	146 072.7	964.9	65 177.0	66 141.8	45.3
Non-post	31 286.8	1 867.3	9 088.4	10 955.7	35.0
Subtotal	**177 359.5**	**2 832.1**	**74 265.4**	**77 097.5**	**43.5**
29A. Office of the Under-Secretary-General for Management[b] (2018)					
Post	6 708.5	20.2	5 978.7	5 998.9	89.4
Non-post	2 999.4	–	5 426.5	5 426.5	180.9
Subtotal	**9 707.9**	**20.2**	**11 405.2**	**11 425.4**	**117.7**
29B. Office of Programme Planning, Budget and Accounts[b] (2018)					
Post	15 637.0	28.6	12 885.7	12 914.3	82.6
Non-post	1 227.4	72.2	654.1	726.3	59.2
Subtotal	**16 864.4**	**100.8**	**13 539.8**	**13 640.6**	**80.9**
29C. Office of Human Resources Management[b] (2018)					
Post	18 145.1	24.3	17 003.7	17 028.1	93.8
Non-post	13 512.1	1 004.3	7 849.0	8 853.3	65.5
Subtotal	**31 657.2**	**1 028.6**	**24 852.8**	**25 881.4**	**81.8**
29D. Office of Central Support Services[b] (2018)					
Post	26 324.4	4.9	23 179.0	23 183.9	88.1
Non-post	48 140.9	5 270.5	50 595.5	55 866.0	116.0
Subtotal	**74 465.3**	**5 275.4**	**73 774.5**	**79 049.9**	**106.2**
29E. Office of Information and Communications Technology[b] (2018)					
Post	21 383.2	26.1	19 705.1	19 731.2	92.3
Non-post	26 075.5	2 135.9	17 612.3	19 748.3	75.7
Subtotal	**47 458.7**	**2 162.0**	**37 317.4**	**39 479.4**	**83.2**
29F. Administration, Geneva					
Post	79 724.6	11.3	37 099.6	37 111.0	46.5
Non-post	53 361.7	4 128.1	18 119.5	22 247.5	41.7
Subtotal	**133 086.3**	**4 139.4**	**55 219.1**	**59 358.5**	**44.6**

Expenditure section	*2018-2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
29G. Administration, Vienna					
Post	17 992.7	2.8	8 184.2	8 187.0	45.5
Non-post	18 669.4	1 407.0	7 044.4	8 451.4	45.3
Subtotal	**36 662.1**	**1 409.8**	**15 228.6**	**16 638.4**	**45.4**
29H. Administration, Nairobi					
Post	20 153.4	13.5	8 806.9	8 820.4	43.8
Non-post	9 682.0	709.1	3 169.6	3 878.7	40.1
Subtotal	**29 835.4**	**722.6**	**11 976.5**	**12 699.1**	**42.6**
29A. Department of Management Strategy, Policy and Compliance[c] (2019)					
Post	38 010.2			–	–
Non-post	14 220.2			–	–
Subtotal	**52 230.4**	–	–	–	–
29B. Department of Operational Support[c] (2019)					
Post	33 832.0			–	–
Non-post	55 383.5			–	–
Subtotal	**89 215.5**	–	–	–	–
29C. Office of Information and Communications Technology[c] (2019)					
Post	20 971.5			–	–
Non-post	26 282.1			–	–
Subtotal	**47 253.6**	–	–	–	–
30. Internal oversight					
Post	34 225.3	35.0	16 017.8	16 052.8	46.9
Non-post	5 746.7	249.4	2 042.2	2 291.6	39.9
Subtotal	**39 972.0**	**284.4**	**18 060.1**	**18 344.5**	**45.9**
31. Jointly financed administrative activities					
Non-post	12 339.2	4.0	6 190.1	6 194.1	50.2
Subtotal	**12 339.2**	**4.0**	**6 190.1**	**6 194.1**	**50.2**
32. Special expenses					
Post	–	–	813.5	813.5	
Non-post	131 902.1	425.9	69 526.6	69 952.5	53.0
Subtotal	**131 902.1**	**425.9**	**70 340.1**	**70 766.0**	**53.7**
33. Construction, alteration, improvement and major maintenance					
Non-post	80 616.5	3 440.8	29 767.3	33 208.0	41.2
Subtotal	**80 616.5**	**3 440.8**	**29 767.3**	**33 208.0**	**41.2**

Expenditure section	*2018-2019 appropriation*[a]	*Commitments (obligations)*	*Actual (disbursements)*	*Total expenditures*	*Percentage expenditure over appropriation*
34. Safety and security					
Post	146 303.0	7.3	64 724.1	64 731.3	44.2
Non-post	87 663.0	2 720.8	41 858.2	44 579.0	50.9
Subtotal	**233 966.0**	**2 728.1**	**106 582.3**	**109 310.3**	**46.7**
35. Development Account					
Non-post	28 398.8	–	14 199.4	14 199.4	50.0
Subtotal	**28 398.8**	**–**	**14 199.4**	**14 199.4**	**50.0**
36. Staff assessment					
Post	494 901.9	–	214 364.4	214 364.4	43.3
Subtotal	**494 901.9**	**–**	**214 364.4**	**214 364.4**	**43.3**
Total					
Post	**2 919 477.4**	**2 581.1**	**1 276 822.9**	**1 279 404.0**	**43.8**
Non-post	**2 476 950.1**	**112 408.4**	**1 008 368.6**	**1 120 777.1**	**45.2**
Grand total	**5 396 427.5**	**114 989.5**	**2 285 191.5**	**2 400 181.0**	**44.5**

[a] See General Assembly resolutions 72/262 C, 72/263 A–C and 72/266 B.

[b] Reflects the budget structure and resources approved for 2018.

[c] Reflects the newly approved budget structure and resources for 2019 (see General Assembly resolutions 72/266 B and 72/262 C and A/72/492/Add.2, table 1).

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Letter dated 2 November 2018 from the Permanent Representative of Armenia to the United Nations addressed to the Secretary-General

Upon the instructions of my Government, I am transmitting to your attention the record of the ceasefire violations by the Azerbaijani armed forces along the state border of the Republic of Armenia during the month of October 2018 (see Annex I).*

I also transmit to your attention the cease-fire violations record, registered by the Ministry of Defence of the Republic of Artsakh (Nagorno Karabakh Republic) during the month of October 2018 (see annex II).*

I kindly request that the present letter and its annexes be circulated as a document of the General Assembly, under agenda item 34, and of the Security Council.

(*Signed*) Mher **Margaryan**
Ambassador
Permanent Representative

* The annexes are being circulated in the language of submission only.

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Annex I to the letter dated 2 November 2018 from the Permanent Representative of Armenia to the United Nations addressed to the Secretary-General

Violations of the ceasefire by the armed forces of the Republic of Azerbaijan along the State border with the Republic of Armenia, 1–31 October 2018

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
01/10	**Tavush, Vayots Dzor, Syunik, Ararat Regions**	13	Small arms and light weapons: 143
	Chinari	2	Small calibre sniper weapons: 5
	Koti	3	Large calibre sniper weapons: 25 (Koti 5; Yelpin 5; Areni 15)
	Voskevan	2	
	Baghanis	1	
	Yelpin	1	
	Areni	1	
	Agarak	2	
	Yeraskh	1	
02/10	**Tavush, Ararat Regions**	7	Small arms and light weapons: 61
	Aygedzor	1	Small calibre sniper weapons: 7
	Chinari	1	
	Barekamavan	1	
	Koti	1	
	Baghanis	2	
	Yeraskh	1	
03/10	**Tavush, Vayots Dzor, Ararat Regions**	8	Small arms and light weapons: 39
	Kolagir	1	Large calibre sniper weapons: 4 (Areni)
	Paravakar	1	Large calibre machine guns: 10
	Kakhakn	1	
	Yelpin	1	
	Areni	1	
	Yeraskh	2	
	Paruyr Sevak	1	
04/10	**Tavush, Vayots Dzor Regions**	2	Small arms and light weapons: 2
	N.Karmiraghbyur	1	Large calibre sniper weapons: 8 (Areni)
	Areni	1	
05/10	**Vayots Dzor, Syunik Regions**	3	Small arms and light weapons: 10
	Areni	2	Large calibre sniper weapons: 6 (Areni)
	Kajaran	1	
06/10	**Tavush Region**	1	Small arms and light weapons: 1
	Baghanis	1	
07/10	**Tavush, Vayots Dzor Regions**	3	Small arms and light weapons: 10
	Chinari	1	Large calibre sniper weapons: 8 (Areni)
	Areni	2	
08/10	**Vayots Dzor, Ararat Regions**	6	Small arms and light weapons: 128
	Areni	2	Large calibre sniper weapons: 40 (Areni 10; Zangakatun 30)
	Khachik	1	
	Yeraskh	1	Large calibre machine guns: 7

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
	Zangakatun	1	
	Paruyr Sevak	1	
09/10	**Tavush, Vayots Dzor Regions**	4	Small arms and light weapons: 12
	Vazashen	1	Large calibre sniper weapons: 10 (Areni)
	Vahan	1	Small calibre mortars: 3 (Vahan)
	Areni	2	
10/10	**Vayots Dzor, Ararat Regions**	7	Small arms and light weapons: 6
	Yelpin	1	Small calibre sniper weapons: 2
	Areni	2	Large calibre sniper weapons: 48 (Yelpin 1; Yeraskh 1; Areni 46)
	Yeraskh	3	
	Paruyr Sevak	1	
11/10	**Tavush, Vayots Dzor, Ararat Regions**	6	Small arms and light weapons: 35
	Chinari	1	Large calibre sniper weapons: 5 (Paruyr Sevak)
	Movses	1	
	Areni	1	Large calibre machine guns: 6
	Yelpin	1	
	Khachik	1	
	Paruyr Sevak	1	
12/10	**Tavush, Gegharkunik, Vayots Dzor, Ararat Regions**	13	Small arms and light weapons: 150
			Small calibre sniper weapons: 2
	Chinari	2	Large calibre machine guns: 11
	Aygedzor	1	Grenade launchers: 4
	Berkaber	1	Small calibre mortars: 1 (Jil)
	Tsapatagh	2	
	Jil	4	
	Vahan	1	
	Areni	1	
	Paruyr Sevak	1	
13/10	**Ararat Region**	2	Small arms and light weapons: 3
	Yeraskh	1	
	Paruyr Sevak	1	
14/10	**Vayots Dzor, Ararat Regions**	7	Small arms and light weapons: 16
	Areni	6	Small calibre sniper weapons: 2
	Paruyr Sevak	1	Large calibre sniper weapons: 32 (Areni 27; Paruyr Sevak 5)
			Large calibre machine guns: 15
15/10	**Tavush, Gegharkunik, Vayots Dzor, Ararat Regions**	7	Small arms and light weapons: 15
			Small calibre sniper weapons: 4
	Chinari	1	Large calibre machine guns: 80
	Artanish	1	
	Kakhakn	1	
	Vahan	1	
	Areni	2	
	Yeraskh	1	
16/10	**Tavush, Vayots Dzor, Ararat Regions**	4	Small arms and light weapons: 17
	Vazashen	1	
	Areni	2	
	Yeraskh	1	

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
17/10	**Gegharkunik, Vayots Dzor, Ararat Regions**	5	Small arms and light weapons: 16
	Geghamasar	1	Small calibre sniper weapons: 3
	Areni	2	Large calibre sniper weapons: 9
	Yeraskh	1	(Geghamasar 4; Paruyr Sevak 5)
	Paruyr Sevak	1	
18/10	**Gegharkunik, Vayots Dzor, Ararat Regions**	7	Small arms and light weapons: 90
	Chambarak	1	Large calibre sniper weapons: 8 (Areni)
	Areni	5	Large calibre machine guns: 65
	Tigranashen	1	
19/10	**Tavush, Vayots Dzor Regions**	4	Small arms and light weapons: 88
	Chinari	1	Large calibre machine guns: 25
	Kayan	2	
	Areni	1	
20/10	**Gegharkunik, Vayots Dzor Regions**	4	Small arms and light weapons: 240
	Vahan	2	Large calibre machine guns: 70
	Bardzruni	1	
	Areni	1	
21/10	**Gegharkunik, Vayots Dzor, Ararat Regions**	8	Small arms and light weapons: 196
	Avazan	1	Small calibre sniper weapons: 21
	Areni	6	Large calibre sniper weapons: 56 (Areni 53; Tigranashen 3)
	Tigranashen	1	
			Large calibre machine guns: 67
22/10	**Tavush, Vayots Dzor, Syunik Regions**	3	Small arms and light weapons: 1
	Chinari	1	Small calibre sniper weapons: 21
	Areni	1	
	Shaghat	1	
23/10	**Tavush, Gegharkunik, Vayots Dzor, Ararat Regions**	10	Small arms and light weapons: 192
			Large calibre machine guns: 171
	Aygepar	1	
	Kakhakn	1	
	Areni	4	
	Yeraskh	3	
	Paruyr Sevak	1	
24/10	**Tavush, Gegharkunik, Vayots Dzor, Ararat Regions**	12	Small arms and light weapons: 210
			Large calibre sniper weapons: 50 (Areni)
	Aygepar	1	
	Kakhakn	1	
	Areni	4	
	Yeraskh	6	
25/10	**Vayots Dzor, Ararat Regions**	3	Small arms and light weapons: 21
	Areni	1	Large calibre sniper weapons: 2 (Yelpin)
	Yelpin	1	Large calibre machine guns: 10
	Yeraskh	1	
26/10	**Tavush, Ararat Regions**	4	Small arms and light weapons: 37
	Aygedzor	2	Large calibre machine guns: 10
	Vazashen	1	
	Paruyr Sevak	1	

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
27/10	**Tavush, Gegharkunik, Ararat Regions**	4	Small arms and light weapons: 94
	Voskevan	1	
	Tsapatagh	1	
	Jil	1	
	Yeraskh	1	
28/10	**Tavush Region**	2	Small arms and light weapons: 8
	Chinari	1	
	Aygepar	1	
29/10	**Tavush, Syunik, Ararat Regions**	8	Small arms and light weapons: 33
	Aygedzor	1	Small calibre sniper weapons: 3
	Aygepar	1	
	Paravakar	2	
	Shaghat	2	
	Yeraskh	2	
30/10	**Syunik Region**	2	Small arms and light weapons: 6
	Shaghat	2	
31/10	**Tavush, Vayots Dzor, Ararat Regions**	8	Small arms and light weapons: 199
	Paravakar	1	Large calibre machine guns: 8
	Vazashen	3	
	Aygehovit	1	
	Shaghat	2	
	Paruyr Sevak	1	

On 14 October 2018 at 10:20, 1 soldier of the Armed Forces of the Republic of Armenia was wounded from fire by Azerbaijani side near the village Ararat.

Annex II to the letter dated 2 November 2018 from the Permanent Representative of Armenia to the United Nations addressed to the Secretary-General

Violations of the ceasefire by the armed forces of the Republic of Azerbaijan on the line of contact with the Republic of Artsakh (Nagorno-Karabakh Republic), 1–31 October 2018

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
01/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	35	Small arms and light weapons: 424 Small calibre sniper weapons: 24
02/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	14	Small arms and light weapons: 112 Small calibre sniper weapons: 4
03/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	21	Small arms and light weapons: 171 Small calibre sniper weapons: 1 Large calibre sniper weapons: 7 (Kurapatkino)
04/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	6	Small arms and light weapons: 64 Large calibre sniper weapons: 3 (Gjulistan)
05/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	13	Small arms and light weapons: 106 Small calibre sniper weapons: 1
06/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	16	Small arms and light weapons: 112 Small calibre sniper weapons: 7
07/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	8	Small arms and light weapons: 49
08/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	9	Small arms and light weapons: 59
09/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	10	Small arms and light weapons: 59 Small calibre sniper weapons: 4
10/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	12	Small arms and light weapons: 135 Small calibre sniper weapons: 13 Large calibre sniper weapons: 1 (Taghibeyli)
11/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	18	Small arms and light weapons: 140 Small calibre sniper weapons: 9
12/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	15	Small arms and light weapons: 178 Small calibre sniper weapons: 10
13/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	9	Small arms and light weapons: 74
14/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	15	Small arms and light weapons: 198
15/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	15	Small arms and light weapons: 101 Small calibre sniper weapons: 4
16/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	12	Small arms and light weapons: 106 Small calibre sniper weapons: 3
17/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	5	Small arms and light weapons: 61
18/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	7	Small arms and light weapons: 71 Small calibre sniper weapons: 1
19/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	5	Small arms and light weapons: 62 Small calibre sniper weapons: 3 (Mehdili)

Date	*Direction*	*Incidents*	*Type of weapons/Shots*
20/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	15	Small arms and light weapons: 93 Small calibre sniper weapons: 15
21/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	11	Small arms and light weapons: 67 Small calibre sniper weapons: 1 Large calibre sniper weapons: 1 (Gjulistan)
22/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	6	Small arms and light weapons: 51 Small calibre sniper weapons: 1
23/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	9	Small arms and light weapons: 92
24/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	15	Small arms and light weapons: 114 Small calibre sniper weapons: 1 Large calibre sniper weapons: 5 (Seysulan)
25/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	10	Small arms and light weapons: 68 Small calibre sniper weapons: 3
26/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	17	Small arms and light weapons: 193 Small calibre sniper weapons: 2 Large calibre sniper weapons: 15 (Ashaghi Seydakhmedli 11, Nuzger 4)
27/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	17	Small arms and light weapons: 228 Small calibre sniper weapons: 1 (Seysulan)
28/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	8	Small arms and light weapons: 14 Small calibre sniper weapons: 12
29/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	10	Small arms and light weapons: 75 Small calibre sniper weapons: 4
30/10	On the Line of Contact between the armed forces of N Artsakh and Azerbaijan	8	Small arms and light weapons: 43 Small calibre sniper weapons: 4
31/10	On the Line of Contact between the armed forces of Artsakh and Azerbaijan	17	Small arms and light weapons: 259

On October 23 2018 at 12:10 near the village Kurapatkino 1 soldier of the Defense Army of Artsakh was wounded from fire by Azerbaijani side.

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Seventy-third session
Agenda item 43
Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba

Letter dated 25 October 2018 from the Permanent Representative of Cuba to the United Nations addressed to the Secretary-General

I have the honour to attach herewith the final declaration of the fifteenth Forum of Cuban Civil Society Organizations against the economic, commercial and financial blockade imposed by the United States of America against Cuba, adopted in Havana on 12 October 2018 (see annex).

I kindly request that the present letter and its annex be circulated as a document of the General Assembly, under agenda item 43.

(*Signed*) Anayansi **Rodríguez Camejo**
Ambassador
Permanent Representative of Cuba to the United Nations

18-18831 (E) 131118 141118

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Annex to the letter dated 25 October 2018 from the Permanent Representative of Cuba to the United Nations addressed to the Secretary-General

[Original: Spanish]

Final declaration of the fifteenth Forum of Cuban Civil Society Organizations against the Blockade

Havana, 12 October 2018

We, the representatives of Cuban civil society organizations, with the support of regional and international organizations with headquarters in Cuba, social actors and organizations, and religious, fraternal and national institutions, meeting at the fifteenth Forum of Cuban Civil Society Organizations against the Blockade, have agreed to:

1. Reaffirm the action taken against the Government of the United States of America for maintaining the economic, commercial and financial blockade imposed on our country, a policy that is still entirely in place and being fully implemented.

2. Support the demand of the Government of Cuba that the blockade be lifted by the Government of the United States in a unilateral and unconditional manner, respecting the norms of international law and the principles of the Charter of the United Nations.

3. Condemn the tightening of the blockade that resulted from the signing by President Donald Trump in June 2017 of the National Security Presidential Memorandum on Strengthening the Policy of the United States Toward Cuba and the rules and regulations issued in November 2017 by the Department of the Treasury, the Department of State and the Department of Commerce of the United States, which have imposed additional restrictions on the limited opportunities for the United States business sector in Cuba and have further restricted the right of United States citizens to travel to the island.

4. Reaffirm the right to self-determination of the Cuban people in building their own political, economic and social system, without external interference, and to express our determination to continue building a socialist, prosperous, sustainable, independent and sovereign homeland.

5. Reiterate that the blockade constitutes a massive, flagrant and systematic violation of the human rights of all Cuban men and women and qualifies as an act of genocide under the Convention on the Prevention and Punishment of the Crime of Genocide of 1948, and that it is an act of war under the Declaration of London of 1905.

6. Emphasize that the blockade is an obstacle to international cooperation and a substantial hindrance to the right to development of the Cuban people, resulting in shortages and suffering for Cuban families, with a significant humanitarian impact, particularly in the area of health; as well as being a barrier to the free movement of academics, scientists and experts for greater knowledge-sharing in various areas of cooperation.

7. Draw attention to the fact that the blockade hinders the implementation of the 2030 Agenda for Sustainable Development.

8. Demand a halt to the tracking of Cuban international economic and financial relations with entities in third countries, which attests to the extraterritorial scope of the blockade policy.

9. Call upon United States citizens and counterpart organizations in the United States to maintain their support for the Cuban people in order to bring an end to this obsolete and unjust policy, which affects the normal development of relations between our peoples.

10. Recognize the role of Cuban solidarity movements and non-governmental organizations around the world in condemning the blockade, and to thank them for their support of the Cuban people's demand for an immediate end to this hostile policy.

11. Support the submission, at the seventy-third session of the General Assembly of the United Nations, of the draft resolution "Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba" and to call for the international community to support this noble cause.